ACCOUNTANCY

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PROFESSIONAL NOTES

Sur-tax and Company Profits

In answer to a question in the House of Commons, the Chancellor of the Exchequer stated that no action will be taken under Section 21 of the Finance Act, 1922, against a private company which pays a rate of dividend accepted by the Special Commissioners as reasonable in previous periods, even though the profits have increased. There need have been no formal approval by the Special Commissioners of previous profit distributions; if no directions had been made by them for periods ending before June, 1947, it may be assumed that the dividends paid were accepted as reasonable. Moreover, "if, for special reasons, no dividend at all was declared in the periods before June, 1947, and directions were now made by the Special Commissioners, they will not in present circumstances challenge the continuance of the company's policy." The Chancellor added that his answer referred only to *bona-fide* instances and did not hold where there were avoidance devices—for example, the withdrawal of money from the company in the guise of capital. The statement clears up a doubt created by the apparent inconsistency between the official policy of dividend limitation on the one hand, and on the other hand the provisions of Section 21 of the 1922 Act aimed against the non-payment of sur-tax by unreasonably low profit distributions by private companies.

Companies Act—Unregistered Companies

A Statutory Instrument brings certain unregistered companies within the provisions of the Companies Act relating to prospectuses, allotments, the annual return, accounts and audit. The Statutory Instrument is the Companies (Unregistered Companies) Regulations, 1948, S.I. 1948, No. 1938. The registered companies concerned include chartered companies trading for profit and some public utility companies formed under private Acts of Parliament. October 1, 1948, is the operative date for most of the companies, and if their accounts are laid before a general meeting held on or after that day they will have to comply with the new provisions. For companies carrying on water, hydraulic power or pier undertakings the date will, however, be July 1, 1949. All the companies concerned have been subject as from July 1, 1948, to the provisions of the Companies Act regarding investigations and the register of directors and secretaries.

Forms under the Companies Acts

New forms have been issued by the Board of Trade for some of the returns and declarations required under the Companies Acts. They are published in Statutory Instrument 1948, No. 1518, under the title "The Companies (Forms) Order, 1948." A number of forms previously in use are cancelled or modified and additional ones are now given.

Assigning War Damage Claims

Attention is drawn to Section 98 of the War Damage Act, 1943, which provides that the assignment of the right to a payment, or part of a payment, under the Business Scheme shall be of no effect until approved in writing by the Board of Trade. The section applies to all assignments, whether absolute or by way of charge, except those which do not affect any beneficial interest in the payment. Similar conditions hold to the assignment of a claim for a loss incurred before the operation of the Business Scheme.

Consensus on the Census?

A Committee has been appointed to consider how the forms to be used in the 1949 Census of Distribution can be simplified. The Committee will have before it the results obtained from the Pilot Census conducted in recent months. The forms used in the Pilot Census were widely criticised as being too complicated, but the Committee has a difficult task in reconciling simplicity with informativeness. Mr. J. Stafford, Director of Statistics at the Board of Trade, is the chairman of the Committee. Among the members is Mr. R. E. Yeabsley, F.C.A., C.B.E., F.S.A.A., a Council member of the Society of Incorporated Accountants and Accountant Adviser to the Board of Trade.

Transport Commission Audits

Professional auditors are to be appointed so far as is practicable to audit the books and records of the Executives and departments of the British Transport Commission. Formal authority is given by the Minister of Transport to Sir Alan Rae Smith, K.B.E., F.C.A., and Sir Harold Barton, F.C.A., who have been appointed by the Minister as auditors of the Commission's accounts, "to rely for the purposes of their audit upon the audits carried out by any auditors or firms of auditors appointed by the Commission." The general lines of these subsidiary audits are to be approved by Sir Alan Rae Smith and Sir Harold Barton and, after consultation with them, the Commission is "to ensure the integration of the programmes" of the subsidiary audits. It is also to maintain "proper systems of internal check."

Audits in the Inventions Bill

The accountancy profession will note with interest that the Development of Inventions Bill—now awaiting the Royal Assent—provides for the appointment annually of a professional auditor to audit the accounts of the Corporation, and that these are to be in a form to comply with the best commercial standards. The relevant clause lays it down that the auditor must be a member of one of the recognised professional bodies (the second on the list is the Society of Incorporated Accountants).

Private House Building Resumed—

Last August the four-to-one ratio between houses built by local authorities and those built by private enterprise was suspended. It is now restored and local councils may issue building licences to prospective owners—not to builders, for the houses are to be primarily for owner-occupiers. The limit to the size of new privately owned houses is raised to 1,500 superficial feet. The maximum price, previously £1,400 in London and £1,300 elsewhere, is to vary according to the size and type of the house, being fixed by local authorities in relation to the cost of houses built by them.

—And Building Licences Relaxed

During the twelve months starting on July 1, a sum up to £100 may now be spent on any one property without a building licence. So far as the owner is concerned, his labour is not to be taken into account but the provision remains that the volunteer labour of anybody else is to be accounted for.

Costs of Successful Tax Appeals

The House of Lords has at long last given its decision in the *Rushden Heel* and *Smith's Potato Crisps* cases and, by a bare majority, has held that the cost to the taxpayer of successfully appealing against Revenue contentions is not admissible as a deduction in computing profits, whether for income tax or for excess profits tax. Thus questions have been settled which had been left in an inconclusive state by *Allen* v. *Farquharson Bros.* (1932, 17 T.C. 59, 11 A.T.C. 259) and *Worsley Brewery Co., Ltd.* v. *C.I.R.* (1932, 17 T.C. 349, 11 A.T.C. 259). It has been a legal struggle in which the final issue was in doubt up to the last. Atkinson, J., had reversed the decisions of the Special Commissioners in favour of the Revenue only to see them restored by a unanimous Court of Appeal. In the House of Lords, Lords Porter, Simonds and Normand seem to have found themselves bound by the principle laid down by the House in *Strong* v. *Woodifield* (1906, A.C. 448, 5 T.C. 218) to the effect that, in the words of Lord Davey in that case, for an expense to be admissible "It must be made for the purpose of earning the profits"; whilst the opposite view, strongly expressed by Lord Simon, was that the correct ascertainment of the profits of a trade is an essential element in trading. Lord Oaksey, better known as Lawrence, L.J., agreed with Lord Simon. These cases were of considerable importance to the accountancy profession because, in the event of their deciding as they did, there was serious danger that the House of Lords might rule definitely that accountants' costs of preparing statements for taxation purposes and negotiating settlements with the Revenue were inadmissible as deductions in computing profits for tax purposes. It seems, however, to have been felt that what was logically indefensible was, nevertheless, convenient for both parties, and it was not thought necessary to disturb the practice. The full report, when to hand, will no doubt repay study.

Further Education Scheme

After consultation with representatives of the professional bodies, the Ministry of Labour and National Service has modified the conditions for maintenance awards to trainees. The unmodified conditions were published on page 2 of the January issue of ACCOUNTANCY. Maintenance awards (in addition to tuition fees and maintenance fees) will now be con-

tinued on a request by the trainee to enable him to make a second attempt at the Final Examination, provided that the next Final Examination is taken and that the first failure was not due to any short-coming (for example, lack of diligence in studies) on the trainee's part. The restrictions on both remuneration and length of "trainee" period now apply to all awards for periods under trainee agreements beginning *or renewed* on or after January 1, 1948, unless the applicant's whole training programme had been agreed with the Appointments Office when a grant was first made for articles or service: in these circumstances, the period of training then agreed will not be reduced even if it exceeds one year.

Stock Exchange Commissions

The opposition from within the London Stock Exchange to the new rules on the sharing of commissions with agents is very strong. Out of a total membership of the Exchange of 3,922, the dissidents obtained 1,667 signatures to their petition to the Council seeking the annulment of the rules (see ACCOUNTANCY, July, pages 150-1). The Council decided, however, that the rules form part of an integrated policy aimed at the improvement of the status of members, that a compromise solution of the controversy could not be found, and that as the issue did not lend itself to the simple "yes or no" answer of a referendum, it could not be submitted to the general membership. The Council recalled the steps taken by the Exchange over a period of nearly 40 years to move towards regulations comparable with those obtaining in the professional bodies, the continued sharing of commissions being an obvious impediment to this objective. Some of those steps were taken against internal opposition almost as strong as that now in evidence. Moreover, the Council considered that the reduction of sums paid in rebates was a better method of mitigating the increased costs of conducting business than the alternative of a general increase in commissions. It also appears that the Country Exchanges, at least so far as their governing bodies are concerned, are in sympathy with the new rules of the London Exchange.

The Council's statement does not specifically answer the strongest arguments put forward by the opposition from outside the Exchange, the continuation of commission-sharing with banks—except for their Trustee departments—but with no other former agents. It was, however, argued by a spokesman of the Exchange that there was a fundamental difference between the professions and the banks in this respect. The banks had 10,000 branches, often in places where there were no stockbrokers, and investment formed part of their natural functions in dealing with money. The Trustee Departments of the banks were to be struck off the register, continued the spokesman, because their functions were analogous to those of solicitors and accountants, but it was not the long-term policy of the Exchange to eliminate banks as agents. The opposition will hardly be persuaded by these points, and it is, indeed, hard to see why banks should not charge their customers, just as, under the new dispensation, solicitors and accountants will charge their clients, for services rendered in advising on the investment of funds. The cost of business reaching the Exchange through non-members—perhaps one-third of the total—would be raised, as that coming through solicitors and accountants will in any case be raised. But uniformity of treatment of all former agents—and the furtherance of the Stock Exchange aim of maintaining professional standards—would appear to be worth this price.

Dividend Limitation

Sir Stafford Cripps has issued a warning that the voluntary scheme of dividend restriction is imperilled. His reason is that it was not observed by 25 per cent. of the companies which declared dividends in the three months following the beginning of the scheme last March. Although he admitted that there might be special circumstances justifying increased dividends by some companies, Sir Stafford did not correct the very misleading impression given by his figure of 25 per cent. He seems to have taken the figure from an analysis published by *The Investors' Chronicle* during June. That investigation showed, however, that while increased distributions were made by rather more than 24 per cent. of a large sample of companies declaring dividends in the three months from mid-June, only about 6.0 per cent. of the total number of companies did not come within classes "exempted" from the agreement made with the Federation of British Industries. Included in Sir Stafford's 25 per cent. are companies operating abroad, textile concerns subjected to war-time concentration schemes, other companies particularly affected by war conditions, investment trusts and insurance companies, new companies and those with poor pre-war profits: all these were excluded from the scheme for dividend limitation. The figures show, indeed, that the voluntary arrangement has worked very well and that there is no excuse for its being superseded by a compulsory restriction of dividends or some even more coercive move.

Directors' Emoluments

The Companies Act requires accountants to satisfy themselves that directors' emoluments are properly disclosed in published accounts. Directors are also liable to rather more pointed queries than in the past because of the provisions of the recent Finance Act regarding tax assessments on expense allowances. In the early stages of the new legal set-up, some directors may well fail to see the necessity for all the enquiries that accountants will be bound to make. In these circumstances, an authoritative article setting out the kind of information required, and the way in which it might be elucidated, will, we think, be of assistance to practising accountants. We have commissioned such an article, and it will appear in the next issue of ACCOUNTANCY.

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COAL BOARD ACCOUNTS

It is not within our province to comment upon the operating results of the National Coal Board for 1947, published during July. Others have examined and criticised the loss incurred in the first year of public ownership of the coal industry. Our concern is with the narrower, yet important, issue of the Board's accounting arrangements and the form of its published accounts.

The report gives a complete survey of the Board's organisation on the accounting and finance side, and of the way it met the numerous problems which arose with the unprecedentedly large transfer from private to public ownership. At the National headquarters, the staff is split into three functional divisions: Accounts, General Finance, and Internal Audit. At the headquarters of each of the regional Divisions, the work is similarly organised under a Finance Director. He is a member of the Divisional Board, which is responsible to the National Board, but it is provided that if he differs from his co-directors, he may refer an issue direct to the National Board. Similarly, in each of the divisions there is an Internal Auditor, who reports to the Divisional Finance Director, but has direct access to the chief Internal Auditor at Headquarters. These arrangements are repeated one stage lower in the hierarchy; the responsible financial officers in each Area are the Area Chief Accountant, who is on the staff of the Area General Manager but may refer questions direct to the Divisional Finance Director, and the Area Internal Auditor, who is responsible to the Divisional Internal Auditor. The main accounting units of the industry are the areas, whose average capital investment is about £8 million, and whose average annual expenditure exceeds £10 million.

It is a common criticism of the Board's organisation that the power of individual officers in the Divisions or Areas to refer matters direct to the more centralised body standing one stage higher than them in the hierarchy detracts from local initiative. The fact that each Area Chief Accountant was originally responsible only to the Divisional Finance Director, but during 1947 was placed on the staff of the Area General Manager, was a step which recognised the force of these criticisms and sought to remove the justification for them. Time will show whether the continuing power of local financial officers to refer questions above the heads of their local Chiefs is desirable, but it may well be that on the financial side, if on no other, it will prove to be so.

Whatever views may be held about the nationalisation of the industry, the report leaves no doubt that remarkable progress with the inevitable transformation of accounting arrangements was made in 1947. At every colliery complete sets of books and accounts, with instructions on the way they should be kept, were ready before the beginning of 1947. The Board set about forming centralised accounting offices for groups of collieries, in the place of the smaller offices maintained by many individual units; by the end of the year most of these were in operation. Delays in obtaining stock-lists and records of assets transferred to the Board added to the difficulties resulting from shortages of accounting staff; these shortages were partly due to colliery companies retaining officials to handle their compensation claims.

The Board was obliged by the Act to prepare accounts conforming with the best commercial standards. But it was not self-evident what form the accounts would have to take to satisfy this obligation.

> The form of revenue accounts as exemplified by the best commercial practice has been undergoing a change over recent years. Emphasis has been moving from the single profit and loss account analysed according to the types of income and expenditure towards a series of profit and loss accounts analysed to show the result of each kind of activity or process.

The decision was to present accounts in both forms. Since a cross-division is made into regions, the profit and loss accounts are extremely informative. Another question that arose was the standardisation of accounts. The aim was to ensure that accounting arrangements could everywhere produce the same kind of information, but how the information was to be produced was left to local initiative. Apparently stores accounting is to be standardised throughout the industry, and there is to be some standardisation in wages records.

> Special attention is being paid to the processes of making and recording wages payments; they absorb much of the industry's accounting effort and probably offer the best opportunity for introducing economies.

The report mentions that a mechanised system "might be suitable for a large unit, but might be uneconomical for a small one." Perhaps some details might have been given of the extent to which mechanisation has been adopted, especially since the Board has aimed at larger accounting units, but the dearth of accounting machinery is a handicap from which nationalised as well as private industry has suffered.

While the Board's statement that it faced the task of raising "the average standard of accounting throughout the industry to a reasonable minimum" might not be generally acceptable, there will be wide recognition of its achievement in ensuring that from the beginning of 1947 detailed monthly profit and loss accounts and weekly wage costs analysed on a uniform basis were produced for every colliery.

It will be appreciated that there is a professional audit of the accounts of the Board.

The accounts themselves are so full that few detailed points of criticism arise. We should have welcomed a statement of the basis on which depreciation of fixed assets is computed, even though the Board's depreciation policy cannot be finally determined until the compensation payable for colliery assets is known. Large sums are included in the profit and loss accounts for general stores and repairs and renewals; some sub-division of these items might well have been given; similarly, the very large figure for "other stores and materials" in a schedule to the balance sheet might with advantage have been analysed. The very wide differences between Regional Divisions in the various items of costs leads the student of these accounts to suggest, though with some hesitancy because of the magnitude of the task and of the size of the resulting publication, that abbreviated figures might be given for the Areas, and even for the individual colliery units. Last year's published results are so informative that some development on these lines might be feasible for the 1948 figures.

The Profession in North America

By A. A. GARRETT

Some notes of information and of impressions obtained during a visit to Canada and the United States of America towards the end of 1947 have moved the Editor of ACCOUNTANCY to suggest that an article might be of interest to readers. The information is necessarily disjointed, since it was obtained on a roving commission, and enquiry was not focused on any particular objective.

It must be said at once with what readiness and helpfulness information was afforded from all quarters, and that it is an exceptional pleasure to recall informal meetings with many distinguished members of the profession and of some of the Universities in Canada and the United States.

This article is written with that caution with which a visitor or a spectator in those fascinating countries should fortify himself when he attempts to record impressions based necessarily on limited knowledge.

The Profession in Canada

The profession in Canada has been long-established, the body which is now the Institute of Chartered Accountants of the Province of Quebec having been incorporated in 1880.

In each of the nine Provinces there is an Institute of Chartered Accountants of the Province of . . . . constituted by an Act of the Provincial Legislature and therefore enjoying statutory rights.

The Dominion Association of Chartered Accountants was established by an Act of the Dominion Parliament in 1902. All members of the Provincial Institutes are members of the Dominion Association; and it is also a co-ordinating and advisory body, governed by an Executive Committee consisting of representatives nominated by the Provincial Institutes. There is not a legal link between the Dominion Association and the Provincial Institutes: its recommendations are communicated to the Provincial Institutes, each of which is autonomous in its own Province.

It is of interest that the Dominion Association sets the examination questions for the Final Examinations of the Provincial Institutes, and is responsible for marking the scripts. While there are slight variations in examination arrangements and in the precise conditions of admission, broadly there is now a common examination standard, and all the Institutes require professional training as a condition of admission.

In some cases the Institutes provide candidates with courses, run by the Institutes themselves, or by Universities for and in co-operation with them.

In such a wide field, it would be invidious to particularise: but reference must be made to the facilities available at MacGill University, Montreal University and Laval University for students of the Quebec Institute. There are day courses for a prescribed degree which entitles graduates to shortened professional service before taking their final examination, and evening courses for men who are serving a longer period of training in the profession.

In the case of the Ontario Institute there are arrangements with the Queen's University, Kingston, Ontario, and correspondence courses are arranged by the University for articled clerks.

A feature of the work at the Universities is that several of the lecturers are accountants who are in active practice, and who give a part of their time to University work—a very satisfactory arrangement.

There is developing interest in research, which is undertaken by a Committee of the Dominion Association, and Mr. C. L. King, the Secretary of the Dominion Association, is also Director of Research.

It was a happy experience to meet Incorporated Accountants in Montreal and Toronto. Several of them had qualified in Great Britain and had sought careers in Canada. A Committee of the Society in Canada was established in 1905, and it was re-constituted in 1947. Colonel H. D. Lockhart-Gordon, D.S.O., who was recently honoured by a life membership of the Ontario Institute, and who is one of the senior practitioners in Canada, is the Chairman, and Mr. Alexander Archibald, of Montreal, is Honorary Secretary.

It needs but little imagination to anticipate a great expansion in the industries and development of natural resources throughout the Dominion of Canada. Certainly it is comforting to reflect upon those possibilities, especially as the population of that vast country is only 12½ millions at the present time, compared with 50 millions in the United Kingdom.

Such a prospect carries with it a great future for the accountancy profession in the Dominion. The profession there is training its own men, but it is to be hoped that some adventurous souls who have qualified in the United Kingdom will envisage the possibilities of professional careers in Canada, and will betake themselves to that land of present prosperity and of great promise.

The United States of America

It is an agreeable but rather formidable task to epitomise the principal features of the accountancy profession throughout the Union and in its forty-eight States.

In each State there is a law regulating the issue of certificates to persons who are qualified to be Certified Public Accountants (C.P.A.). As each State enjoys separate powers, the C.P.A. laws are not uniform. Broadly, the title of C.P.A. is protected, and there are some inter-State facilities for C.P.A.s. Statutory boards are entrusted with the responsibility of granting C.P.A. certificates. Voluntary Societies of Certified Public Accountants are established in the respective States, and these bodies promote the interests of members, discuss professional matters, and maintain relations with the C.P.A. Boards.

The prestige of the profession of accountancy in the United States has developed with the growth and great work of the American Institute of Accountants. The American Institute was founded as The American Association of Public Accountants in 1887, and the British bodies have had long and friendly relations with the American Institute. It is interesting to recall that the first International Congress on Accounting was organised by the American Association of Public Accountants and was held in St. Louis in 1904.

The American Institute of Accountants sets its own standards for admission as regards education, professional experience, and examinations: it has formulated a code of professional ethics and enforces professional discipline amongst its members. Its examinations and examination standards are highly regarded throughout the United States, and it is now the case that no less than forty-four States have adopted the American Institute's examinations for the purpose of the C.P.A. qualification.

A distinguishing feature of the American Institute's work is its annual meeting, which is the occasion for a convention lasting four or five days. Successive meetings

are held in different cities in the United States, and hundreds of members and their ladies travel long distances to be present. In addition to the business meetings there are sessions at which papers are read and discussions are initiated. Those who have been privileged to be the guests of the American Institute have many happy recollections of the welcome accorded by the Institute, and of the spontaneous friendliness of the members.

The extensive organisation of the American Institute under the President and Council is in the hands of the Executive Director, Mr. John Carey, who is assisted by an Administrative Secretary, a Director of Research, and a Director of Education.

Particularly interesting features of the American Institute's organisation are its Technical Committees (about twelve in number), its Research Department, and its publications. The *Journal of Accountancy*, a monthly publication, has a large circulation, and bulletins of professional information are issued continuously—frequently on the basis of the work of the Research Department. The Research Department maintains contacts with professors in the School of Business at various Universities. An interesting experiment was initiated a few years ago when a Committee of the Institute set up an organisation to make vocational guidance tests of men who proposed to enter, or were engaged in the profession. There was considerable evidence that the experiment had yielded valuable results. Its cost, however, was such that it needed a large number of men to take the tests in order to justify fully the expense and work in maintaining the organisation.

A volume entitled *Contemporary Accounting* (A Refresher Course for Public Accountants) was issued by the American Institute for members who returned from the Forces: this volume consisted of a number of papers, each of which was prepared by a member who was expert in the subject. The volume was extensively used and much appreciated.

It is of interest that the American Institute contemplates organising short refresher courses on the lines of those given by the English Institute and the Society at Oxford and at Cambridge.

Schools of Business at the Universities

The School of Business is an important branch of the work of some of the Universities, and we may mention the Schools of Business Administration at Harvard (Cambridge, Massachusetts, near Boston), Columbia (New York City) and The Wharton School of Business (Philadelphia).

The men who take their degrees at University Schools of Business obtain appointments in industry and commerce and some enter the accountancy profession.

At Harvard, the men must already hold a university degree as a condition of entry: the business administration course extends for two years and comprises accounting among its subjects. There is keen competition to obtain entry to the Harvard School, and industrial and commercial undertakings increasingly offer positions as junior executives to men who have been trained in the Schools of Business.

The organisations and curricula of these schools call for further study and afford much interest in relation to professional education and to university courses for those destined for commerce and industry.

This article is but a short review of many stimulating impressions on a short visit. It is to be hoped that—foreign exchange facilities permitting—the future will provide opportunities for many reciprocal visits and exchange of information.

Companies Act, 1948—XI

Accounts of Holding and Subsidiary Companies

By J. D. R. JONES, F.S.A.A.

The Act provides a detailed, yet flexible, set of rules governing the accounts of holding and subsidiary companies. These rules may be classified under headings as follows: The Company's Own Accounts; Group Accounts; Absence of Group Accounts.

Section 154 (1) enacts that, for the purposes of the Act, a company is deemed to be a subsidiary of another company if, but *only* if, one of the following circumstances arises, viz.:—

(a) *that other company either* (*i*) *is a member of it and controls the composition of its board of directors; or* (*ii*) *holds more than half in nominal value of its equity share capital; or*

(b) *the first-mentioned company is a subsidiary of any company which is that other's subsidiary.*

Thus, if "A" be a member of "B" and, through its membership, be able to control the composition of that company's board, "B" is a subsidiary of "A," or if "C" holds more than half in nominal value of "D's" equity share capital, "D" is a subsidiary of "C." Again, if "Y" be a subsidiary of "Z," a subsidiary of "X," "Y" is also a subsidiary of "X."

Section 154 (2) deals with the circumstances in which the composition of a company's directorate is deemed to be controlled by another company, whilst Section 154 (3) lays down rules for determining whether one company is a subsidiary of another. For instance, shares held or a power exercisable in a fiduciary capacity are to be disregarded.

Section 154 (4) provides that for the purposes of the Act, a company is another's holding company if, but *only* if, that other is its subsidiary.

The Companies' Own Accounts

The balance sheet of a holding company (whether or not it is a subsidiary of another company) must, by virtue of the Eighth Schedule, Part II, paragraph 15, show separately from all other assets (*a*) shares in subsidiaries and (*b*) amounts owing by subsidiaries (whether on account of loan or otherwise) and separately from all other liabilities, amounts owing to subsidiaries (whether on account of loan or otherwise). In this connection, references in Part I of the Eighth Schedule to a company's investments do not apply to investments in subsidiaries separately disclosed. Similarly, references to methods of arriving at values of fixed assets, and to disclosure of information relating to depreciation provision, are not applicable to fixed assets comprising interests in subsidiaries.

There must be shown by way of note to the holding company's balance sheet, or in a report or statement annexed, the number, description and amount of shares in or debentures of the company held by its subsidiaries. The note or statement may exclude shares or debentures in which the subsidiary is interested as personal repre-

sentative or trustee, with neither the company nor any of its subsidiaries interested under the trust, otherwise than by way of security only for the purpose of a transaction entered into by it in the ordinary course of a business which includes the lending of money. (Eighth Schedule, Part II, paragraph 15).

Similar disclosure must be made in, and a similar note made or statement or report annexed to, the consolidated accounts in respect of any subsidiaries not dealt with thereby, as if those accounts were the accounts of an actual company of which they were subsidiaries. (Eighth Schedule, Part II, paragraph 21).

The balance sheet of a subsidiary company (whether or not it is itself a holding company), must, by the Eighth Schedule, Part II, paragraph 16, show the aggregate amount of its indebtedness to all bodies corporate of which it is a subsidiary or fellow subsidiary (i.e., if both are subsidiaries of the same body corporate but neither is the other's subsidiary), and the aggregate amount of all indebtedness of such bodies to it. A distinction must be made between debentures and other indebtedness.

Group Accounts

Obligation to Furnish (*Section* 150)

A holding company is required to present to its members, contemporaneously with its own balance sheet and profit and loss account, accounts or statements dealing with the affairs and profit or loss of the company and its subsidiaries. These accounts or statements are termed "group accounts." The legislature, however, has recognised that there may be circumstances in which group accounts may be unnecessary or inappropriate.

Thus, group accounts are not obligatory if, at the end of its financial year, the company is itself the wholly owned subsidiary of another body corporate incorporated in Great Britain. A wholly owned subsidiary is one whose membership is confined to the group, that is, its holding company and that company's wholly owned subsidiaries and its or their nominees. For example, if "B" has a subsidiary "C" and is itself the wholly owned subsidiary of "A," the group comprises "A," "B" and "C" and, subject to what follows, "A" must present group accounts to its members but there would be little point in "B" doing so.

On other grounds, there are mentioned six exceptions to the general rule. The group accounts need not deal with a subsidiary if the company's directors are of opinion that—

(1) *it is impracticable.* The word "impracticable" is here thought to mean "impossible in practice."

(2) *it would be of no great value to the members of the company in view of the insignificant amounts involved.* The section gives no guide to the meaning of "insignificant amounts"; that is apparently a matter for the holding company's directors to determine though, doubtless, an appropriate ratio between, say, group net assets and those of the subsidiary or between the respective turnovers will emerge in practice as a datum.

(3) *it would involve expense and delay out of proportion to the value to the members of the company.* The directors of the holding company might well consider themselves justified in excluding the accounts of a relatively small overseas subsidiary if, by waiting for that company's figures, preparation of the group accounts would be delayed inordinately.

(4) *it would be misleading.* If the inclusion of the accounts of a particular subsidiary would distort the picture of the group affairs and results, that would be a valid reason for their exclusion.

(5) *it would be harmful to the business of the holding company or any of its subsidiaries.* This ground would not often arise in practice and this is recognised by making approval of the Board of Trade a pre-requisite to exclusion.

(6) *the business of the holding company and that of the subsidiary are so different that they cannot reasonably be regarded as one undertaking.* Prior consent of the Board of Trade is required if, for this reason, the accounts of a subsidiary are not to be dealt with in the group accounts. Here again, the circumstances would need to be exceptional to merit application to the Board.

If the directors are of such an opinion about each of the company's subsidiaries, group accounts will not be required (subject on grounds (5) and (6) to consent of the Board of Trade).

Form of Group Accounts (*Section* 151)

The Act contemplates the preparation of group accounts in the form of a consolidated balance sheet and a consolidated profit and loss account. It recognises, however, that other forms of group accounts may be more suitable in particular circumstances and so allows the directors of the holding company some latitude. If they consider it would be better for the purpose (*a*) of presenting the same or equivalent information to that included in consolidated accounts, and (*b*) of so presenting it that it may be readily appreciated by the members, the group accounts may be presented in another form.

In particular, those other forms may comprise one of the following :—

(1) *more than one set of consolidated accounts dealing respectively with the company and one group of subsidiaries and with other groups of subsidiaries.* This form could be conveniently employed where there are, in effect, separate sub-groups operating in different countries or in different branches of an industry. For example, one set of group accounts could relate to the holding company and its home subsidiaries and another to the company and its overseas subsidiaries.

(2) *separate accounts dealing with each of the subsidiaries.* That is, the holding company would issue with its own accounts those of each of its subsidiaries. It would be impracticable to issue separate accounts if the subsidiaries were at all numerous; apart from other considerations, such a practice would confuse rather than help. Submission of the separate accounts is suitable if there are but one or two subsidiaries but even in those circumstances, consolidated accounts would enable the members of the holding company to obtain a clearer idea of the group position.

(3) *statements expanding the information about the subsidiaries in the company's own accounts.* This form

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This article is the eleventh in a series on the new company law. The first, a general article on the Companies Act, 1947, appeared in our issue of September, 1947, and subsequent articles have dealt with the following special aspects :—

II. "Company Balance Sheet and Profit and Loss Account, etc.", by F. Sewell Bray, F.C.A., F.S.A.A., and H. Basil Sheasby, F.C.A., F.S.A.A. (October).

III. "The Exempt Private Company," by E. Westby-Nunn, B.A., LL.B., Barrister-at-Law (December).

IV. "Disclosure of Payments to Directors," by J. H. M. Clark, A.C.A. (January).

V. "Meetings," by E. Westby-Nunn, B.A., LL.B., Barrister-at-Law (February).

VI. "Prospectuses," by E. Westby-Nunn, B.A., LL.B., Barrister-at-Law (March).

VII. "Auditors," by W. J. Back, F.S.A.A. (April).

VIII. "Articles of Association and Annual Returns," by E. Westby-Nunn, B.A., LL.B., Barrister-at-Law (May).

IX. "Bookkeeping and Accounts," by W. J. Back, F.S.A.A. (June).

X. "Points to Note" (July).

The series will be continued in future months, and we hope to cover all important topics of interest to readers.

envisages supplementing the company's accounts by consolidated statements of assets and liabilities and of the profits or losses of the subsidiaries included as distinct from full consolidation.

(4) ***any combination of the foregoing.*** **For instance, the group accounts might consist of consolidated accounts dealing with the holding company and all the subsidiaries save one, together with the separate accounts of that excluded subsidiary.**

As an alternative to consolidated accounts or one of the other forms of group accounts, the group figures may be incorporated wholly or partly in the holding company's own accounts. Where this expedient is considered suitable, the group figures might be given in columns parallel to the company's own figures, but the need to include comparative figures might tend to make the documents cumbersome and confusing. Another method would be to give information about the net assets of the subsidiaries by way of a note under investments in the holding company's balance sheet and about their profits in a separate panel on the profit and loss account. Again, the group accounts might take the form of a consolidated balance sheet together with a single profit and loss account. The latter would commence with the aggregate trading profit and work down by stages to the consolidated net profit, and thence to the holding company's own net profit and its proposed appropriation.

So far as group accounts are not incorporated in the company's own accounts, they must be annexed to those accounts, and the auditors' report attached (Section 156). The group accounts must accordingly be circulated to those entitled to receive copies of the company's own accounts (See Section 158).

Contents of Group Accounts (Section 152 *and Eighth Schedule, Part II, Paragraphs* 17 *to* 21)

The primary requirement is that the group accounts should present a *true and fair view* of the aggregate state of affairs and of the aggregate profit or loss of the holding company and of the subsidiaries dealt with thereby as a whole, so far as concerns members of the company. The company and the included subsidiaries are regarded as a single entity and the group accounts should therefore present a true and fair view of the interests of the holding company in the combined net assets and in the combined profit or loss. Necessarily, the interests of outside shareholders should be segregated from the group interests.

Group accounts prepared as consolidated accounts must comply with the requirements of the Eighth Schedule so far as applicable; if not so prepared, the accounts must furnish the same or equivalent information. The Eighth Schedule sets out the general provisions relating to the contents of the balance sheet and profit and loss account of a company.

That Schedule requires the consolidated accounts to combine the information given in the accounts of the holding company and those subsidiaries dealt with thereby, subject to any adjustments which the directors of the holding company may deem it necessary to make. Subject to this requirement and to Part III of the Schedule (which deals with special classes of companies such as a banking or an assurance company), the consolidated accounts must comply with the statutory provisions as if they were the accounts of an actual company. It is unnecessary, however, to disclose in the consolidated accounts the particulars required to be disclosed in the accounts of a company by Section 196 (particulars of directors' emoluments, etc.) and Section 197 (particulars of loans to officers) since those sections are not applicable to consolidated accounts. It is also unnecessary to give particulars of material variations in reserves and provisions (as must be done in the company's own accounts) in the first consolidated accounts laid before the company after July 1, 1948.

The Board of Trade on application and with the consent of the company's directors, may modify the requirements of the Eighth Schedule in relation to that company so as to adapt them to the company's circumstances.

Further, Section 149 (1) and (2) do not apply to a consolidated profit and loss account provided that account complies with the statutory requirements relating to consolidated profit and loss accounts and shows how much of the consolidated profit or loss for the financial year is dealt with in the company's accounts.

Group Financial Year (Section 153)

Unless the directors of the holding company have good reasons to the contrary, the financial year of the company and each of its subsidiaries should coincide. A change in the accounting period of a company is not always expedient; for instance, a change might conceivably prove expensive from an income tax standpoint.

The Board of Trade may permit a company or its subsidiary to extend its financial year so as to secure coincidence of dates, and for that purpose to postpone the submission of the relevant accounts to the members from one calendar year to the next. Where permission is given the Board, on application or with consent of the directors of the company concerned, may dispense with the submission by the company of its accounts, the holding of its annual meeting or the filing of its annual return for the earlier of the two years.

In circumstances where the financial year of a subsidiary does not coincide with that of the holding company (and no alteration is made in the subsidiary's financial period), the group accounts must deal with the subsidiary's state of affairs as at the end of, and its profit or loss for, the financial year ending with or last before that of the holding company. The Board of Trade, on application and with the consent of the holding company's directors, may, however, sanction a variation from this procedure (Section 152).

Where the financial year of any subsidiary (whether or not it be dealt with by the consolidated accounts) does not end with that of the holding company, the reasons therefor and the dates on which the subsidiaries' financial years ending last before that of the company respectively ended, or the earliest or latest of these dates, must be given in a statement annexed to the consolidated accounts (Eighth Schedule, Part II, paragraph 22).

Auditors' and Group Accounts (Section 162 (1) *and Ninth Schedule)*

The auditors of the holding company must report to the members of the company upon all group accounts laid before those members as well as upon the company's own accounts. They must state in their report upon the group accounts whether in their opinion those accounts have been properly prepared in accordance with the provisions of the Act so as to give

(*a*) a true and fair view of the state of affairs and profit and loss of the company and its subsidiaries dealt with thereby, so far as concerns the members of the company; or

(*b*) if that be the case, a true and correct view thereof subject to non-disclosure of any matters (to be indicated in the report) which by virtue of Part III of the Eighth Schedule (exceptions for special classes of companies) are not required to be disclosed.

Absence of Group Accounts

The rules which apply in the absence of group accounts are contained in Part II, paragraph 15 of the Eighth Schedule. The reasons for the absence of group

accounts must be given in a statement annexed to the holding company's balance sheet.

The statement must also show the net aggregate profits or losses of the subsidiaries *so far as they concern members of the company and are not dealt with in the company's accounts,* for the respective financial years of the subsidiaries ending with or during the company's financial year, and for their previous financial years since they became the holding company's subsidiary. To the extent that *profits of subsidiaries are dealt with, or provision made for their losses,* in the company's accounts, the statement must likewise show the net aggregate profits or losses for current and prior periods. The precise intention of these requirements is not clear from the wording of the Act.

The profits and losses so to be dealt with in the statement are confined to those which may be properly treated in the holding company's accounts as revenue profits or losses. They exclude pre-acquisition profits unless the company is itself a subsidiary of another body corporate and the shares were acquired from that body corporate or a subsidiary of it. Necessary apportionments of profits or losses between those of the pre-acquisition and the following period may be made on a time basis if a reasonably accurate division cannot be made by reference to the facts.

Any qualification in the report of the auditors on the accounts of the subsidiaries for the respective financial years whose profits or losses are to be included as above must be noted in the statement. That applies also to any note or saving contained in the accounts of the subsidiaries to call attention to any matter which, if it were not for that note or saving, would properly have been referred to in the auditor's qualification of his report. But, if the matter which is the subject of the qualification or note be covered in the company's own accounts, or be not material from the standpoint of the members, no reference need be made to it in the statement.

A statement giving the like information to that outlined above must be annexed to the group accounts in respect of any subsidiary or subsidiaries not dealt with in those accounts.

In the event of any of the information to be given in the statement annexed to the holding company's balance sheet (or to the group accounts in respect of any excluded subsidiary) not being obtainable, that fact must be stated. The Board of Trade may, however, on application or with consent of the company's directors, direct that, in relation to any subsidiary, the prescribed contents of the statement shall be required only to the extent specified.

A statement needs also to be annexed to the holding company's balance sheet, in the absence of group accounts, where the financial years of any subsidiaries do not end with that of the company. That statement must set out the reasons therefor and the dates on which the subsidiaries' financial years ending last before that of the company respectively ended or the earliest and latest of those dates.

Stock Values and Financial Results—II

By CECIL A. ELLIS, A.S.A.A. (Montreal, Canada)

The Amount and Incidence of Taxation

Taxation inevitably claims considerable attention whenever the financial effects of the various stores valuation methods are being studied.

Exhibit "E" demonstrates that when prices are falling, each method produces its own "operating profit," and that after relevant inventory adjustments are taken into account, each method produces the same *net profit*. When applying this assertion to our examples, it is necessary to make due allowance for the fact that under the *base stock* method for 1947 to 1949 (during falling prices), the stated profits reflect the arbitrary reduction of the opening "base" stock to $200,000 less than cost.

Exhibit "E" also shows that when prices are rising (as in 1950-1951) each method produces its own distinct *net profit*, after adjusting book inventory values, as well as its own "operating profit." This is so because amounts previously reserved to reduce book inventory balances to lower market values must necessarily be restored to the extent that subsequent rising market values make those reserves unnecessary.

The "taxation effects" of each of the four inventory methods under consideration can best be illustrated by the following tables, showing in simple form the tax which would be payable under each of the four methods. The figures described as for "Case (1)" portray the U.S.A. tax procedure of recognising inventory "adjustments" under the *average price* and *Fifo* methods only. "Case (2)" reflects the procedure in Canada and in other countries outside the U.S.A., where, for tax purposes, inventories are valued at "the lower of cost or market" no matter what inventory method is in use.

For simplicity, these tables are based upon the contents of Exhibits "A" to "E." Income tax is assumed to be at the rate of 30 per cent. upon taxable profits throughout every year.

Each of the "cases" 1 and 2 shows identical separate total tax bills under the various methods. This is merely because our examples pre-suppose the price of the raw material in use to commence at 16 cents a pound in 1947 and, after various fluctuations, to return to that market price at the end of 1951, the last year of our illustrations. If accumulated tax bills for less than the five year period are compared, it will be seen that each "case" can produce total taxes considerably more or less than the other.

Comparison may be made also between (*a*) U.S.A. practice of admitting inventory adjustments under *average price* and *Fifo* methods only, which causes wide differences between taxes payable under those methods and taxes payable under *Lifo* and the *base stock* method; and (*b*) the practice *outside the U.S.A.*, of valuing inventories at the lower of cost or market in all circumstances.

Although the disparities in total tax bills under the various methods are not the principal objects of the present discussion, unpredictable circumstances can cause those disparities to become so large as to increase the importance of tax considerations. For instance, if the Excess Profits Tax, which remains in Canada until the close of 1947, should be revived during any subsequent year, or if the assumed 30 per cent. tax rate should be changed at any time, such changes would affect the annual and total taxes payable under each "inventory method." Also, the disparities in taxes payable under the various methods would be increased if the operations, chosen for our examples, were to cease at any time between 1949 and 1951, before the compensating effects of rising prices can be gained.

Thus it is that choice of an inventory method cannot properly be made without due consideration of the likely effects upon taxation, and of other known factors. Such effects, in various degrees and directions, could be exemplified by endless illustrations.

EXHIBIT "E"

"MODERN MANUFACTURING COMPANY"

STATEMENT SUMMARISING OPERATING PROFITS AND SURPLUSES RESULTING UNDER VARYING METHODS FOR PRICING STORES ISSUES

Note.—The various methods of pricing issues of identical materials used at identical costs are shown by the following comparisons. For this purpose it will be assumed that annual sales are as shown below, and that costs other than for Materials are 50 per cent. of selling prices throughout the whole period.

	($000 omitted)	Average Price Method	"First in First out"	"Last in First out"	Base Stock Method
Year		$	$	$	$
1947	SALES ...	950	950	950	950
less	Materials used (Market prices falling) ...	277·1	304	230	228
	Other charges ...	475	475	475	475
		752·1	779	705	703
	OPERATING PROFIT	197·9	171	245	247
less	Inventory adjustment ...	91·9	65	139	21
	NET PROFIT ...	106	106	106	226
1948	SALES ...	920	920	920	920
less	Materials used (Market prices falling) ...	258·1	295	166	163
	Other charges ...	460	460	460	460
		718·1	755	626	623
	OPERATING PROFIT	201·9	165	294	297
less	Inventory adjustment ...	36·9	—	129	52
	NET PROFIT ...	165	165	165	245
1949	SALES ...	900	900	900	900
less	Materials used (Market prices falling) ...	203·3	200	110	108
	Other charges ...	450	450	450	450
		653·3	650	560	558
	OPERATING PROFIT	246·7	250	340	342
plus	Inventory adjustment (*x*) ...	41·3	38	—	—
less	ditto ...	—	—	52	54
	NET PROFIT ...	288	288	288	288
1950	SALES ...	910	910	910	910
less	Materials used (Market prices rising) ...	212·5	140	230	236
	Other charges ...	455	455	455	455
		667·5	595	685	691
	OPERATING PROFIT	242·5	315	225	219
plus	Inventory adjustment (*x*) ...	87·5	27	171	117
	NET PROFIT ...	330	342	396	336
1951	SALES ...	1220	1220	1220	1220
less	Materials used (Market prices rising) ...	403	343	521	561

	($000 omitted)	Average Price Method	"First in First out"	"Last in First out"	Base Stock Method
		$	$	$	$
	Other charges ...	610	610	610	610
		1013	953	1131	1171
	OPERATING PROFIT	207	267	89	49
plus	Inventory adjustment (*x*) ...	—	—	149	10
	NET PROFIT ...	207	267	238	59

NOTE.—(*x*) These amounts are for reversals of such portions of previous reserves that are not required at the respective dates. If the reserves were left intact for possible future needs, the various "inter method" differences would be larger than those shown above. It is to be presumed that the taxation authorities would impose taxes upon such credits to the extent that previous charges may have been allowed for taxation purposes.

CASE 1 (AS IN U.S.A.)

which allows periodical adjustments of book inventory values, for taxation purposes, under the *average price* and *Fifo* methods *only*

Annual* (30 *per cent.*) *tax payable under

For the year	Average Price Method	Fifo	Lifo	Base Stock Method
	$	$	$	$ (*x*)
1947	31·800	31·800	73·500	74·100
1948	49·500	49·500	88·200	89·100
1949	86·400	86·400	102·000	102·600
Total for three years of falling prices	167·700	167·700	263·700	265·800
1950	99·000	102·600	67·500	65·700
1951	62·100	80·100	26·700	14·700
Total for two years of rising prices ...	161·100	182·700	94·200	80·400
Total for five years ...	328·800	350·400	357·900	346·200

NOTE.—(*x*) The figures in this column assume that the U.S.A. tax authorities (if they ever permit the use of the "*base stock* method") require the inventory with which that method opens to be valued at cost. Such a requirement exists in the case of the similar *Lifo* method.

CASE 2 (AS OUTSIDE THE U.S.A.)

which requires merely that for taxation purposes, inventories are valued at "the lower of cost or market" and does not prescribe any regulations governing the inventory methods used by the taxpayer.

Annual* (30 *per cent.*) *tax under

For the year	Average Price Method	Fifo	Lifo	Base Stock Method
	$	$	$	$ (*x*)
1947	31·800	31·800	31·800	31·800
1948	49·500	49·500	49·500	43·500
1949	86·400	86·400	86·400	74·400
Total for three years of falling prices ...	167·700	167·700	167·700	149·700
1950	99·000	102·600	118·800	136·800
1951	62·100	80·100	71·400	59·700
Total for two years of rising prices ...	161·100	182·700	190·200	196·500
Total for five years ...	328·800	350·400	357·900	346,200

NOTE.—(*x*) The figures in this column reflect the fact that

the tax authorites would regard the *base stock* as part of the whole inventory for taxation purposes, notwithstanding the taxpayer's reduction of the book value of that stock to $200,000 below "market" at the commencement of 1947. In this respect the tax base differs from the figures in Exhibit "E."

Effects upon Construction Costs

All owners of businesses wish, naturally, to obtain from the taxation authorities the largest depreciation allowances to which they are entitled, upon the values of their fixed assets. Certain undertakings (mostly public utility companies, as yet) have also to look to "Control" or similar Boards for fair rates upon their "invested capital"; sometimes they become involved in questions of values of fixed assets when "expropriation compensation" becomes at stake.

No business organisation has anything to gain by under-pricing materials which it uses for its own construction work. On the contrary, under-pricing of such materials can cause unnecessary and severe financial hardships. Obviously, it would be poor business to capitalise rubber, copper, or any similarly priced material at an "average" or otherwise derived price of 10 cents a pound if the current market replacement price is 14 cents a pound, and the materials are in fact replaced. Nor would it be correct to capitalise at 12 cents when the current market cost is 9 cents a pound. The effect in the former case is disadvantageous; in the latter it causes over-valuation which may be detected and disallowed by government bodies.

The foregoing assertions apply especially forcibly to construction projects, the non-recurring nature of which eliminates the possible compensating effects of any long-term levelling up of prices.

It would, indeed, be interesting if it were possible to know what sums included among "inventory adjustments" could have been legitimately capitalised, and what capitalised sums should more properly have been charged off among "inventory adjustments" over several past years.

Study of the accompanying Exhibits "A" and "B" will show that when materials are being used for construction purposes, *Lifo* would be the more advantageous when prices are rising, and *Fifo* would give more advantages when prices are falling. Seeing, however, that it is forbidden to switch from one method to another merely to gain temporary advantages, a fixed policy should be consistently maintained.

The anticipated cost of capital expenditure envisaged at any time when methods of pricing materials are being studied should always be taken into consideration in order that the permanent effects of such methods upon the "invested capital" may be duly taken into account.

Effects upon Negotiations with Labour

Let us suppose that our imaginary Modern Manufacturing Company becomes involved in a dispute over wages during the last quarter of 1948, and that in the course of negotiations, it is required to submit its financial books in evidence.

If the company is using the *average price* or the *Fifo* method throughout its records, it will produce books purporting to show costs of materials to be 9.7 cents a pound or 10 cents a pound. In such circumstances the company's representative will have either to explain that his cost records do not reflect current realities, or he will have to let his opponent bring evidence to show that the then current cost of the said materials is but 50 per cent. of the alleged cost. Such circumstances would embarrass the company's representative in either case.

If such a dispute should arise again during the last quarter of 1951 when the company's books under its unchanged method show material costs at much less than the then current market replacement costs, the company's representative may again find himself in an embarrassing situation. He may find it extremely difficult to convince the presiding authority and other parties concerned at a hearing, that the relatively high profits which his company is enjoying at that time are in a large degree unrealistic because they fail to take into account the current costs of replacing materials which they are using, and which they are charging out at relatively low *average price* or *Fifo* values.

Lifo, or better still, the *base stock* method would go far to remove any cause for embarrassment on either of the cited occasions. Either of those methods could assist negotiations with labour because it realistically portrays current costs in a manner that can easily be proved, and that all concerned may see and understand.

The *average price* and *Fifo* methods may also be found unsuitable if and when they are brought into evidence in formal proceedings upon such matters as price control or compensation awards.

Unrealistic pricing methods can cause great difficulties for industry without bringing any real benefits to labour or to the public.

Effects upon Security Values

Whenever he is buying or selling securities, the intelligent investor usually studies the interim and year end financial reports of the issuing company; and he is influenced to some degree, at least, by what he finds in those documents.

If, because of the use of a particular method for pricing stores transactions or for valuing residual inventories, the said reports show exaggerated operating profits when market prices are high, or unduly low profits when market prices are low, the investor is liable to draw inaccurate conclusions, and to make unwise purchases or sales of the securities which he has in mind. He will draw no consolation from the fact that in order to comply with good accounting practice, or to meet tax regulations, necessary provisions to reduce inventories to "the lower of cost or market" are included elsewhere in the reports.

It would be a good thing if every affected interim and year end financial report were to include a note clearly naming the stores method which the issuing company has employed. Such a note, even if not appreciated by the general public, would serve, at least, to give the discerning investor an opportunity to judge for himself if, in the light of current market price trends, the reported profits may reasonably be expected to continue to increase, or to decrease percentage-wise to sales during the immediately ensuing period. Such a practice could serve also to assist in counteracting certain unreasonably wide fluctuations in security prices, and could help, even if in only a small measure, the attainment of steadier industrial and financial conditions.

Whenever the stores method in use is not disclosed, any investor with an interest at stake may quite properly request management to tell him what method is being used.

Conclusion

Although the weight of evidence is heavily in favour of certain of the inventory methods now discussed, it is not correct to say that any one method is the best *in all circumstances*. Emphasis should be placed on the fact that each method can produce certain advantages

and certain disadvantages in varying circumstances, and at varying times. It is greatly in the interests of business men that they should so inform themselves, or obtain expert advice upon the whole subject of inventory and stores methods. They need to understand the workings and the financial effects of each method, and to be able to evaluate the relative advantages of each in the light of their own circumstances.

Because each set of circumstances always requires the use of an inventory method which is most appropriate, it is indeed well that no undue restrictions are placed upon the choice of what is best for each case. With existing freedom, business men are in a good position to give full consideration to the effects of each inventory method upon their own conditions, and, once having made their choice, apply the selected method consistently.

The financial effects of inventory methods clearly spread in many directions. Their significance is likely to attract ever increasing attention.

TAXATION

The Special Contribution and Working Directors

General dissatisfaction with the unfair incidence of the levy on controlled private companies has produced small relief in the amendments incorporated in the 10th Schedule to the Finance Act. In the case of those companies which distributed all profits as directors' remuneration, or retained them in the business, the recipients have avoided the impost subject to any direction under Section 21, Finance Act, 1922, which is a rare occurrence except in the case of investment companies, where it is automatic. But where the profits were distributed as dividends, the recipients are unfortunate, as they get only the relief outlined below.

In a country where fair play is a fetish, such discriminatory legislation leaves a bad taste in the mouth. Some companies have managed to avoid the full impact by knowing about the levy in time to annul interim dividend payments, which, being payments on account by the directors, can be reversed by the company; but these are mere palliatives.

The position under the 10th Schedule is that in the case of a private company (other than an investment company) controlled by the directors, any individual involved may claim that income from the share capital shall be omitted from his investment income, if he is a working director, up to the higher of—

(a) £2,000 per annum, less his emoluments from the company, or

(b) 15 per cent. of the profits (with a maximum of £15,000) divided by the number of working directors, less his emoluments.

The £2,000 in (a) and the 15 per cent. (maximum £15,000) divided by the number of working directors in (b) are termed the "standard amount," which is reduced in each case by the emoluments.

A "working director" is a director who has worked full time in the actual management or conduct of the business throughout the period in question. The term "director" includes any person occupying the position of a director by whatever name called and any person in accordance with whose directions or instructions the directors are accustomed to act. The term "investment company" has the same meaning as in Section 20, Finance Act, 1936, namely, a company the income whereof consists mainly of investment income, i.e., income which, if the company were an individual, would not be earned income.

The investment company gives the most anomalous situation of all. If the whole income has been distributed as directors' fees, there will be no levy; any that has not been so distributed will (as a result of the automatic direction under Section 21, Finance Act, 1922) be subject to the levy.

Any claim must be made by the working director to the Special Commissioners, either before or after an assessment to the contribution has been made, but in any case not later than December 31, 1950.

It may be that the number of working directors has changed during 1947-48; if so, each period during which the number of working directors was constant is to be regarded as a separate period.

It is important to note that "profits" for the above purposes are to be computed as for profits tax (without abatement and including franked investment income), with the modifications that—

(a) No deduction is to be allowed for the remuneration of working directors; and

(b) All remuneration of other directors is to be deducted.

The usual apportionments in months and fractions of months must be made to fit the accounting periods to the year 1947-48.

In the case of groups of companies (applying Section 18, Companies Act, 1947, to determine the relationship of holding and subsidiary company), where an individual was in 1947-48 a director of a holding company and a subsidiary company or subsidiary companies, or of two or more subsidiaries, and worked full time in the actual management or conduct of the business of those companies taken together, he can select which of the companies he likes as being the one of which he is to be regarded as a working director for the purposes of the relief. For this purpose he can require that investment income from share capital of all the companies in question shall be treated as investment income of the company which he selects as that in which he was a working director, and all his emoluments from the companies in question will be aggregated and regarded as emoluments from that one company.

The Solicitor-General promised that the provisions mentioned in the above paragraph will be applied generously.

If the relief involves a repayment, any interest paid or discount allowed will, of course, be taken into account.

Illustrations:

	£
(1) Company's profits as for profits tax including franked investment income ...	16,000
Add remuneration of working directors allowed for profits tax	3,000
	19,000
Deduct remuneration of other directors disallowed in Profits tax computation (i.e. excess of such remuneration over the maximum allowed for profits tax) ...	1,500
	£17,500
Profits for Contribution Relief, 15 per cent. of £17,500	£2,625

If there is only one working director, he can claim £2,625 less his remuneration, as not to be included in his investment income; if there are more than one working director, they can claim £2,000 each less remuneration.

(2) Company's Profits, as computed for profits tax, including franked investment income:	£	£
Year to June 30, 1947 ...	51,000	
Year to June 30, 1948 ...		56,000
Add working directors' remuneration allowed for profits tax ...	4,000	6,000
	55,000	62,000
Deduct remuneration of other directors disallowed for profits tax	5,000	8,000
	£50,000	£54,000
15 per cent. ...	£7,500	£8,100

During the year to June 30, 1947, there were two working directors, during the following year an additional one.

The standard amount per working director is thus	£3,750	£2,700
Deduct emoluments (assumed equal)	2,000	2,000
	£1,750	£700

Investment income to be omitted for each original working director for 1947-48— $\frac{1}{4} \times$ £1,750 + $\frac{3}{4} \times$ £700	= £963
and for the third director $\frac{3}{4} \times$ £700	= £525

(The apportionments ought strictly to take into account fraction of months and to be made by taking fractions of profits for the appropriate fractions of the year, but it is thought that the above will be acceptable.)

(3) Company's profits (including franked investment income and after adjusting directors' remuneration as required for the purposes of the relief)	£120,000
Maximum standard amount ...	£15,000

If there were four working directors, the standard amount of investment income to be omitted would be £3,750; if there were eight working directors, the standard would be £2,000 each.

Taxation Notes

Patents and the 1945 Act

The importance of Section 38 of the Income Tax Act, 1945, in connection with capital receipts and payments for patents is not always fully appreciated. The Section provides that if patent rights, or any rights out of which they were granted, have been the subject of a sale before the appointed day (April 6, 1946) and the proceeds of the sale consisted wholly or partly of a capital sum, the provisions of the Act for annual allowances and for charges on capital sums received for the sale of patent rights, do not apply. The definitions in Section 43 must be noted.

If, therefore, patent rights are being acquired, it is most important to ascertain whether any such sale has taken place prior to April 6, 1946, as, if it has, there will be no relief on the purchase. This must affect the price that ought to be paid.

Where a licence was granted for or partly for a capital sum, prior to April 6, 1946, and a similar licence is granted after that date to another person for the same rights, the Section will apply. If, however, the second licence is for different rights under the same patent, for example, the right to apply the same process to a different product, it seems that the Section will not prevent relief to the purchaser, nor a charge on the vendor.

This may be a serious matter particularly where foreign patents are in point; for example, a United States patent on which the vendor will be liable to United States taxation. If he is also liable to United Kingdom taxation, he can claim relief under Article VIII of the Double Taxation Convention in respect of United Kingdom taxation, and the purchaser can apply for permission to pay the consideration without deduction of tax. The term in Article VIII of the Convention, "Royalties or other amounts paid as consideration" for the use of patents is regarded by the Revenue as including a capital sum if that sum is taxable under Section 37 of the Income Tax Act, 1945.

Annual Allowances under Part I of the 1945 Act

Anyone acquiring an industrial building or structure to-day ought to require the vendor to supply any information he has as to the capital expenditure in respect of which relief under the Act can be claimed. The Law Society has intimated that intending purchasers ought to include in their contracts a stipulation requiring vendors to supply such information. As in the case of patents mentioned above, such information may affect the price.

The Special Contribution: Payment in Advance

Readers should review at once the liability of their clients, particularly those liable at high rates of surtax, with a view to advising them as to prepayment under discount. As the discount escapes income tax, it is equivalent to such gross amount as after deducting income tax, including surtax, will leave two per cent. per annum. To taxpayers liable to surtax at the highest rate of tax, this is equivalent to 80 per cent. per annum.

For example, if the aggregate investment income is £12,000, giving a contribution of £5,125, and this is paid on August 7, 1948, there will be accepted in settlement £5,084 6s. 6d. made up as follows:—

Amount in settlement	£5,084	6	6
Discount, i.e., interest at 2 per cent. per annum on £5,084 6s. 6d. for 146 days to January 1, 1949	40	13	6
	£5,125	0	0

As the £40 13s. 6d. represents a net gain to the client, it is equivalent to interest liable to tax as follows:—

If the total income for surtax makes the £1,200 all liable to tax at 19s. 6d. in the £	£1,627	0	0
If the total income is £12,000 only ...	542	6	8

In the second case, to give him the same addition to his net income, he would have to receive £542 6s. 8d., which would attract 9s. in the £ income tax and 9s. 6d.

in the £ surtax, a total of 18s. 6d. in the £, leaving £40 13s. 6d. This is the minimum saving that could arise on an investment income of £12,000.

On smaller incomes, the saving is much less, but still considerable.

Special Contribution—Hard Cases

The provision that losses shall not be deducted in arriving at aggregate investment income may give rise to additional hardship. A case in point is a person who has taken up farming, and had an unsuccessful beginning. His aggregate investment income is £5,500 and his 1947-48 loss £2,000. He is thus faced with taxation as follows:—

Total Income		£5,500 0 0
Less Personal allowance	£180	
Two children	120	
		300 0 0
		£5,200 0 0
£50 at 3/-		£7 10 0
200 at 6/-		60 0 0
4,950 at 9/-		2,227 10 0
£5,200		
		£2,295 0 0
Life Assurance Relief		62 10 0
		£2,222 10 0
Section 34 relief, £2,000 at 9/-		900 0 0
Total Income Tax		£1,322 10 0
(The Schedule A assessments on the farm are offset by maintenance and Section 33, I.T.A. 1945 reliefs.)		
Surtax on £5,500		650 0 0
		£1,972 10 0
Special Contribution on £5,500		1,875 0 0
Total Taxation		£3,847 10 0

This is on an income of £3,500

To avoid petty adjustments, we have ignored any excess of relief under Sections 32 and 33, I.T.A. 1945 over the N.A.V. of the agricultural property allowable for income tax (including surtax) but not for the contribution.

Income Tax Allowances

It is not generally appreciated that, while the allowances due for any year of assessment for income tax purposes are normally given in making the income tax assessments, the taxpayer can make a request in his return for them (except the earned income allowance) to be given as far as possible against the surtax for the preceding year of assessment. There is no real point in making such a request unless it is desired to keep the amount of the allowances secret from someone, for example, partners or employers (who can guess them from the P.A.Y.E. coding). It would, of course, give effect to them earlier than where tax is payable on earned income under Schedule D; for example, the allowances set against business income in 1948-49 would reduce the tax payable on January 1, 1949, and July 1, 1949, by half the tax on the allowances in each case, whereas if set against the surtax payable for 1947-48, it would reduce the tax payable on January 1, 1949, but increase the second instalment of Schedule D due July 1, 1949.

Interest on the Special Contribution

It is understood that any interest which becomes payable on contribution not paid by January 1, 1949, will be treated for sur-tax purposes in the same way as interest on Estate Duty, *i.e.*, there will be deducted in computing total income that sum which after deduction of income tax at the standard rate will amount to the interest paid.

Jamaica—Double Taxation

An agreement on double taxation between Jamaica and the United Kingdom has almost been concluded. The Executive Council of Jamaica has agreed to the arrangements and a draft agreement is being sent to the island in a few weeks' time for consideration and signature.

In Professional Notes we have dealt with the subjects of Sur-tax and Company Profits (page 175) and Costs of Successful Tax Appeals (page 176).

Letter to the Editor

Solicitors' Accountants' Certificates

SIR,—I should be grateful for the hospitality of your columns to draw the attention of accountants to the fact that the accountant's certificate, which Section I of the Solicitors Act, 1941, requires a solicitor to deliver during each practice year, must cover all the places at which he carries on business.

We have received from very many solicitors certificates which cover only one of the addresses given by them in their declaration to lead to the issue of their practising certificates. We have had to write to each of these solicitors to inquire whether separate accounts are kept at their other addresses, or whether the certificate delivered is intended to cover them. In the latter case it is necessary to obtain from the accountant a statement in amendment of the certificate which he has given.

It would be of great assistance if accountants when giving a certificate for a solicitor would inquire whether there are any other addresses which the certificate should cover, and where appropriate include those addresses in the certificate.

Where, of course, separate books of account are kept for the solicitor's other office, or offices, a separate examination by the accountant of each set of accounts will be necessary.

Yours faithfully,

T. G. LUND,
Secretary.

THE LAW SOCIETY,
London, W.C.2.

Books Received

Commercial Goodwill. By P. D. Leake, F.C.A. Fourth edition. (Gee & Co. (Publishers), Ltd., London. Price 17s. 6d. net.)

Carter's Income Tax, Sur-tax and Profits Tax (N.D.C.). Fourth edition. By G. W. Murphy, B.A. (Com.), F.C.A. (Gee & Co. (Publishers), Ltd., London. Price 15s. net.)

Municipal Internal Audits. By Arthur Collins, F.S.A.A., F.I.M.T.A. Eighth edition. (Gee & Co. (Publishers), Ltd., London. Price 27s. 6d. net.)

Management: its Nature and Significance. By E. F. L. Brech, B.A., B.Sc. (Econ.), M.I.I.A. Second edition. (Sir Isaac Pitman & Sons, Ltd., London. Price 8s. 6d. net.)

The Principles of Public Administration. By Richard Warner. (Sir Isaac Pitman & Sons, Ltd., London. Price 15s. net.)

The Law and Practice of Meetings. By Frank Shackleton, F.C.I.S. (Sweet & Maxwell, Ltd., London. Price 30s. net.)

Jordan's Income Tax Guide, 1948-49. By C. W. Chivers. Eighteenth edition. (Jordan & Sons, Ltd., London. Price 1s. 6d. net.)

Recent Tax Cases

By W. B. COWCHER, O.B.E., B.Litt., Barrister-at-Law

Income-tax—Sandpit on farm—Sales of sand—Whether sandpit assessable under General Rule of Schedule A or concern within No. III of that Schedule. Income Tax Act 1918, *Schedule A—Finance Act,* 1926, *Section* 28.

Russell v. *Scott* (House of Lords, May 13, 1948, T.R. 205) was an Irish case in which after a chequered history the House of Lords has decided that a sandpit is assessable according to the General Rule of Schedule A upon rental value, and is not a " concern of the like nature " within No. III of Schedule A, the profits of which are assessable according to the rules of Case I of Schedule D. This meant, in the case under consideration, that very considerable profits would escape taxation. No. III of Schedule A is divided into three classes. Rule I applies to certain quarries; Rule 2 to mines; whilst Rule 3 commences with ironworks and includes amongst other items in a strange list markets and fairs and " other concerns of the like nature having profits from or arising out of any lands, tenements, hereditaments or heritages." Two points were taken for Scott. First, it was argued that the sandpit was not " a concern," and secondly, that even if it were " a concern," it was not a " concern of the like nature "; and, affirming the judgment of the lower Courts, their Lordships held that whilst it was " a concern," it was not " of the like nature " with the other heterogenous constituents of Rule III. In coming to this conclusion, they over-ruled *Mosley* v. *George Wimpey & Co., Ltd.* ((1945) 1 All E.R. 674, 27 T.C. 315), where the Court of Appeal had held that a gravel-pit worked by a company which had exclusive rights was within Rule 3; and, there, all three judges had arrived at the same conclusion, yet each by a different route. Considerations of space preclude a fuller notice of a case in which a principle has been established which may cause considerable loss to the Revenue unless dealt with by legislation.

Excess Profits Tax—Avoidance or reduction of liability—Subsidiary company owning and using machinery obtained from principal company—Principal company agent of American machinery company from whom machinery obtained—Other similar machinery supplied to concerns competing with subsidiary—Complaints by other concerns of unfair competition—Sale of subsidiary's machines to one of competing concerns—Liquidation of subsidiary and formation of new subsidiary—Machinery sold by old subsidiary hired out by purchasing concern to new subsidiary—Finance Act, 1941, *Section* 35*—Finance Act,* 1944, *Section* 33.

C.I.R. v. *Earthwork & Construction, Ltd.* (K.B.D., March 24, 1948, T.R. 193) would seem to have been a good example of the rule that apart from matters of common knowledge, the legal facts of a case are only those which have been proved by legal evidence. Company A. was an American company manufacturing caterpillar equipment imported into the United Kingdom by Company O., an English company which acted as A.'s agent. Respondent company, E., was a subsidiary of O., and used the caterpillar equipment obtained from it for the making of aerodromes. O. also supplied similar machinery to competing concerns, and the latter are stated to have complained that, in the circumstances, respondents' competition was unfair. Respondents then agreed, in September, 1940, to sell its machinery to Company B., a large public company which had acquired one of the competing businesses. The sale price was £60,000. Respondent then went into liquidation and a new subsidiary company was formed. One of the terms of sale was peculiar. The machinery bought by B. was to be hired to members of the respondent company for twelve months in order to finish off current contracts; and, by a curious coincidence, the hire charge was to be £5,000 per month, so that at the end of the twelve months, B. would have received a gross sum exactly equal to the cost to it of the machinery. The rate of hire was, however, reasonable in the light of current rates.

Respondent company in liquidation would receive £60,000 as a capital sum for its plant, whilst the new subsidiary would not have respondents' pre-war standard of £5,570, but would have to be content with the minimum standard of £1,000. It would, however, be entitled to deduct the amounts paid as hire in computing its profits and so, up to this stage, upon the bare facts, the Revenue would be a loser to the extent of the tax on £60,000 less the difference in the standards. But, what about the position of Company B.? Obviously, if the £60,000 was subject to Excess Profits Tax in its hands, the Revenue would not fare too badly. As to this, the Special Commissioners stated in their case:

> "In any event we had no evidence at the hearing of this appeal that the rent paid to B. did not attract liability to excess profits tax in the hands of B. and in the absence of any such evidence we did not feel justified in drawing any inference. . ."

They found that not only was " purpose " lacking, but that the " main benefit " was the receipt of £60,000 on cessation of the subsidiary company's business. Atkinson, J., affirmed their decision as supported by ample evidence.

The crux of the Revenue's problem in the case seems to the present writer to be the following. It had, of course, all the evidence necessary relating to B.'s Excess Profits Tax position. B., however, was a big company and quite independent. How, then, in the circumstances, could the Revenue disclose its secret knowledge of one taxpayer's position in order to prove its case as to another taxpayer?

National Defence Contribution—Hotel company—Hotel requisitioned—Whether compensation rent assessable in computing profits as hotel proprietor—Whether business consisting wholly or mainly of holding investments—Finance Act, 1937, *Sections* 19, 20; *Schedule IV, paragraph* 7*—Compensation (Defence) Act,* 1939, *Section* 2.

C.I.R. v. *Buxton Palace Hotel, Ltd.* (K.B.D., March 24, 1948, T.R. 199) was by way of sequel to *Mellors* v. *Buxton Palace Hotel, Ltd.* (1944, 1 All E.R. 233, 25 T.C. 507), where it had been held that the compensation rent paid to the company was assessable to income tax. In the present case it was more fortunate, the Special Commissioners and Atkinson, J., finding (1) that the company's business was still that of hotel proprietor; (2) that, therefore, the business did not consist wholly or mainly in the holding of investments or other property; (3) that the compensation rent was not a profit of the hotel business—there was no appeal upon this finding by the Special Commissioners; (4) that the main functions of the company did not consist wholly or mainly in the holding of investments or other property; (5) that the company was not liable to N.D.C. in respect of the compensation rent.

The *ratio decidendi* of the case would seem to lie in the judge's declaration that there had not been " a deliberate and final complete change of the nature of the company," but that it " was ready and anxious to resume its trading operations at any moment."

The Month in the City

London Resists the Crisis

That industrial shares should have proved so resistant to the political crisis over Berlin is due not only to the assessment of that crisis by investors themselves but also to the technical condition of the market. For several weeks past share prices have been declining moderately but steadily, partly owing to the evidence of the first impact of the disinflationary policy of Sir Stafford Cripps on economic activity and industrial profits. The balance of professional views about prospects for share prices was accordingly bearish, and by the time the Berlin crisis broke in its full severity the market was in a somewhat oversold position. In consequence the modest amount of selling by private investors—its extent can be measured from the fact that Stock Exchange turnover has fallen to quite subnormal proportions—has had only limited effects on prices. On June 25 the *Financial Times* index of industrial ordinary shares stood at 113.1, and by July 20 had fallen by less than 3 points to 109.3—a setback which in the circumstances seems moderate enough. In these conditions any slight lifting of the political clouds was bound to produce a quick scuttle for cover by the bears, and by July 22 the index had risen by 1½ points to 110.9. The improvement has also been widely shared by Government securities, though here again dealings have been subnormal and price movements quite small. There is evidence of some institutional buying now that high-grade industrial equities are on a yield basis of 4½ per cent. or more. Three months ago when industrial share prices were staging some show of resistance, many institutional buyers were remaining out of the equity market until such time as yields on the "blue chips" rose to 4¼ per cent. or better. Now they have no difficulty in absorbing the moderate amount of stock from private investors to yield a larger return.

I.C.I. Issue Terms

Since the chairman, Lord McGowan, announced that Imperial Chemical Industries was seeking permission from the Capital Issues Committee to make a new share issue, the price of I.C.I. ordinary stock has fallen from 48s. 9d. to 44s. 3d. This fall has largely conditioned the terms of the new issue which, as was generally anticipated, consists of one new ordinary share of £1 for every £5 of ordinary stock now held. The price of the new issue, however, has been fixed at 40s. 6d. compared with a price of about 45s. which appeared possible towards the end of May. Rather more than 10 million shares are to be issued, and the group will thus have the use of over £20 million of new capital for its large programme of extensions. Owing to the complex task of issuing provisional allotment letters to 145,000 ordinary shareholders, together with application forms for excess shares which will be sent both to them and also to more than 60,000 preference stockholders, the documents will not be in the hands of stockholders until August 18. Acceptance of allotment, together with a first payment of 20s. per share, must be made by September 14, and the final instalment will be due on or before October 28. The issue has been underwritten by a group of four important firms of brokers on the Stock Exchange for 6d. a share, and 1½d. per share overriding commission. In present circumstances the underwriting of an issue of this size over a period of several weeks shows a willingness on the part of the firms concerned to undertake a risk for which their commission will be a thoroughly well-earned payment. This is not to say that the outcome of the issue is regarded with any doubt in the City, for the confident expectation that the present rates of earnings and dividend will be maintained in future on the increased capital means that the new shares are being offered on a yield basis of £4 18s. 9d. per cent. It is a long time since a share of the quality of I.C.I. could be bought on so favourable a basis.

Books Received

The Organisation and Management of Hospital Stores. By Captain J. E. Stone, F.S.A.A. (Faber & Faber, Ltd., London. Price 15s. net.)

Apportionments for Executors and Trustees. By J. F. Josling, assisted by C. Caplin, LL.B. Oyez Practice Notes No. 5. (Solicitors' Law Stationery Society, Ltd., London. Price 2s. net.)

The 1948 Table A. A comparison with the 1929 form. Oyez Practice Notes No. 10. (Solicitors' Law Stationery Society, Ltd., London. Price 3s. 6d. net.)

Accounts from Incomplete Records. By John G. Simpkins, A.C.A. Second edition. (Gee & Co. (Publishers), Ltd., London. Price 12s. 6d. net.)

Commercial Arithmetic. By H. V. Allen, M.Sc., Ph.D. Complete edition. (Longmans, Green & Co., Ltd., London. Price 8s. net.)

The Accounts of an Executor. By E. E. Spicer, F.C.A. Revised by H. A. R. J. Wilson, F.C.A., F.S.A.A. (H.F.L. (Publishers), Ltd., London. Price 4s. 6d. net.)

Transport Statistics. 1948 series. No. 1, period to January 25; No. 2, period to February 22. (British Transport Commission, 71, Regent Street, London, W.1, and 55, Broadway, S.W.1. Price 1s. every four weeks; annual subscription, including postage, 12s. 6d.)

Business Accounts. By L. A. Terry, B. Com. (Hons.) and W. T. Smith, M.Com. (Sir Isaac Pitman & Sons, Ltd., London. Price 8s. 6d. net.)

Efficient Business Management through Budgeting and Budgetary Control. By J. E. Spinosa Catella. (Macdonald & Evans, London. Price 12s. 6d. net.)

Price, Waterhouse & Co., and Peat, Marwick, Mitchell and Co., and the South African partners of Price, Waterhouse, Peat & Co. announce that they have, by mutual consent decided that the practice in South Africa which has hitherto been carried on under the name of Price, Waterhouse, Peat & Co. shall, as from January 1, 1949, be conducted under the name of Peat, Marwick, Mitchell & Co., at the present addresses in Johannesburg, Cape Town, Pretoria, and Port Elizabeth.

The partners of Peat, Marwick, Mitchell & Co. will be all the South African partners of the present firm and Sir W. Harry Peat, G.B.E., F.C.A.

Price, Waterhouse & Co. are establishing their separate organisation to take over their interests in South Africa, and will notify their clients accordingly. Pending the establishment of separate offices the requirements of the clients of Price, Waterhouse & Co. will continue to be dealt with at the offices of Peat, Marwick, Mitchell & Co., who are co-operating with Price, Waterhouse & Co., for this purpose.

Society of Incorporated Accountants

INCORPORATED ACCOUNTANTS' YEAR BOOK, 1948

Messrs. Ernest T. Kerr & Co., of Birmingham, point out that the entries concerning their firm are incorrect. The only partners are Mr. E. Lord, F.C.A., A.S.A.A., and Mr. C. R. Cooke, A.S.A.A.

Luncheon at Norwich

The Incorporated Accountants' District Society of East Anglia held a luncheon on July 7 at the Royal Hotel, Norwich. The chair was occupied by the President of the District Society, Mr. H. P. Gowen, O.B.E., F.S.A.A., and the company included the Lord Mayor and Lady Mayoress of Norwich (Alderman and Mrs. W. G. Cutbush); the Mayor and Mayoress of Great Yarmouth (Alderman and Mrs. F. H. Stone); Sir Frederick Alban, C.B.E., J.P., F.S.A.A. (President of the Society of Incorporated Accountants); the Right Rev. Herbert St. Barbe Holland, M.A. (Dean of Norwich); Mr. Bernard D. Storey, O.B.E. (Town Clerk); Sir Basil Mayhew, K.B.E., F.C.A.; Mr. W. O. Coleman, A.C.A.; and representatives of other professional bodies and of commerce and industry.

Mr. H. P. Gowen, O.B.E., F.S.A.A., President of the District Society, recalled that when the District Society was formed about 20 years ago, he was one of the founders, together with the late Mr. H. Harper Smith, former Lord Mayor of the city, the present secretary (Mr. Donald V. Hayden), and the late Mr. H. O. Bennett. The District Society had now an important part in the life of Norwich and East Anglia.

Mr. W. O. Copeman, O.B.E., A.C.A., who was Lord Mayor of Norwich last year, proposed the toast of "The Society of Incorporated Accountants and Auditors," saying he did this with the greatest pleasure as a member of the Institute; but as it was nearly a quarter of a century since he left the profession, he felt that it was mainly as one engaged in the trade of Norwich that he could best pay a tribute to accountancy, as represented by the Society of Incorporated Accountants.

The community as a whole owed a great debt both to the individual accountant and to the professional bodies for having maintained and enhanced the status of their members by seeing that they kept abreast of the times and were equipped to meet the changing needs of industry with information on the incessant flow of legislation which now so greatly affected their work. In the latter respect Mr. Copeman paid tribute particularly to the Society of Incorporated Accountants for its research work, for the encouragement it gave to the District Societies, for the lectures it arranged throughout the country, and for the publications it made available to the profession, and, he was glad to say, to those outside the profession as well.

In a tribute to the outstanding leadership of Sir Frederick Alban, Mr. Copeman said he had done work for local government of great importance and other work, of which little was known, of tremendous moment to the great little country of Wales. He thought that with the toast they might almost couple a toast to the Principality, because it had provided their own Society and the Institute with presidents at one and the same time.

Sir Frederick Alban, C.B.E., J.P., F.S.A.A., President of the Society of Incorporated Accountants, in reply, told the company he was gratified to find the close association which existed between the two professional bodies in various parts of the country and, particularly, in East Anglia. It was true, also, that the ties between them had been cemented very much of late by the coincidence that the president of the Institute of Chartered Accountants and himself both came from the same city, were brought up together, and both had similar hobbies. They both proposed to represent their respective bodies in Chicago in September.

Recalling that Mr. Gowen was Lord Mayor of Norwich when the East Anglia District Society was formed in 1929, Sir Frederick said that at headquarters they regarded the name of Mr. Gowen as being intimately associated with accountancy in East Anglia, and he felt the district was fortunate in having such an outstanding leader.

His visit to Norwich derived added pleasure from the presence at the lunch of His Honour Judge Carey Evans, with whom, and also with the judge's father, Sir David Evans, he had been privileged to work in the past. The present National Health scheme was to a great extent built on the framework of a scheme Sir David Evans worked out.

No doubt the members had a number of headaches awaiting them in relation to company accounts. He mentioned that in ACCOUNTANCY there would be an endeavour to give assistance on the various problems that arose. The question of the co-ordination of the accountancy profession was very much in the air at the moment. The Companies Act was incomplete without some measure making provision for the status and qualification of the accountancy profession. The economic position of the country naturally called for the close attention of every accountant. Any effort to "bridge the gap" must involve much greater sacrifice than was made at the present time. In the new nationalised undertakings there was a profuse use of man-power on administration, accounting, and other matters. The problems of taxation would require the highest skill that could be given to them; there must be greater production on all sides, and unproductive labour must be reduced to a minimum. He recalled that the port of Cardiff alone exported over 30 million tons of coal in 1934-24, whereas now we were struggling in the current year to supply an extra 10 or 15 million tons.

Sir Frederick wished success to Mr. W. P. Gill, the president-elect of the District Society, and joined in expressions of regret that Mr. D. V. Hayden, the founder-secretary, was retiring from that office.

The Dean of Norwich (the Right Rev. H. St. Barbe Holland) proposed the City of Norwich, to which toast the Lord Mayor (Mr. W. G. Cutbush) responded. The toast of the guests was proposed by Mr. W. P. Gill, and responses were made by the Mayor of Great Yarmouth (Mr. F. H. Stone) and His Honour Judge Carey Evans.

EXAMINATIONS

The Preliminary, Intermediate and Final Examinations will be held on October 26, 27 and 28, 1948, at London, Manchester, Leeds, Cardiff, Glasgow, Dublin and Belfast.

Applications on the appropriate form, accompanied by all relevant supporting documents and the fee, must reach the Secretary at Incorporated Accountants' Hall not later than Wednesday, August 25, 1948.

The Society does not undertake to arrange hotel accommodation. Candidates must make their own arrangements in this respect.

Excess Profits Tax

No further questions on excess profits tax will be set in the Final Examination.

Companies Act, 1948

Commencing with the October, 1948, examinations, candidates will be expected to answer questions on company law and accounts in accordance with the new Act.

Examinations in 1949

Subsequent examinations will be held on May 17, 18 and 19, and November 15, 16 and 17, 1949. The last dates for applications will be March 21 and September 19, 1949, respectively.

RESULTS OF EXAMINATIONS

MAY, 1948

Final Examination

Honours Candidates (6)

KING, FREDERICK HAROLD (with F. L. Gardiner & Co.), Scarborough. (*First Certificate of Merit and First Prize*).

NIGHTINGIRL, JAMES DARRELL (with Kingscott, Dix & Co.), Gloucester. (*Second Certificate of Merit and Second Prize.*)

COOPER, RUSTOM CAVASJE, B.Com. (formerly with P. C. Hansotia,) Bombay. (*Third Certificate of Merit and Third Prize.*)

ALTORFER, ALFRED (Borough Treasurer's Department), Swansea. (*Fourth Certificate of Merit.*)

MORGAN, REGINALD GEORGE (City Treasurer's Department), Coventry. (*Fifth Certificate of Merit.*)

PERRY, JOHN ALFRED (with Deloitte, Plender, Griffiths & Co.), London. (*Sixth Certificate of Merit.*)

Candidates Passed (220)

Barnes—
KING, CHARLES WILLIAM (Deputy Borough Treasurer).

Barnoldswick—
GILL, IRVING PETER (with Windle & Bowker).

Bedford—
RAINBOW, FRANK EVELYN (with Keens, Shay, Keens & Co.).

Birkenhead—
JONES, JOHN LLYWELYN, B.A. (H.M. Inspector of Taxes).

Birmingham—
BATEMAN, ALAN GEORGE (with Flint & Thompson).
BOWLES, CHARLES HENRY (with Wall & Tanfield).
BRIDGEWATER, SYDNEY TYNDALE (with Tyler & Wheatcroft).

Bishop Auckland—
RUTTER, DOMINIC THOMAS SCARRE (with Chipchase, Wood & Co.).

Blackburn—
BARRETT, NORMAN WILSON (with Milford & Co.).

Bombay—
JAVERI, NARENDRA MANGALDAS, B.Com. (formerly with K. S. Aiyar & Co.).

Bournemouth—
PIPER, CHARLES (with Pettitt, Maddox & Co.).

Bradford—
BAMFORD, JOHN (with J. L. Simpson & Co.).
FEARNLEY, NORMAN KNOWLES (with Rupert Lindley).
ILLINGWORTH, HARRY (with W. Claridge & Co.).
KIRKBY, ERIC (with R. S. Dawson & Co.).
LINDLEY, ERIC (with Rupert Lindley).
STAMFORD, RALPH WADSWORTH (with Rhodes, Stringer & Co.).

Bridgwater—
HILL, JAMES MICHAEL (with J. & A. W. Sully & Co.).

Brierley Hill—
BENTON, JOHN BARNSLEY (with Gough, Wright & Co.).

Bristol—
MILLARD, ALBERT ALMOR (with C. J. Ryland & Co.).

Burslem—
TIMPERLEY, JOHN HERBERT (with J. Paterson Brodie & Son).

Calcutta—
BASU, PRAPHULLA CHANDRA, B.A. (formerly with Sur & Sen).
DATTA, SACHINDRA, B.Com. (formerly with D. P. Chatterjee & Co.).
MAJUMDAR, MUKUNDA PRASAD, B.Com. (formerly with P. K. Mitra & Co.).

Cambridge—
GERLIS, ALBERT INGRAM (with Slater, Dominy & Swann).
LITTLECHILD, THOMAS ARCHIBALD WALTER (with Slater, Dominy & Swann).
KELLER, JOHN THOMAS (with Slater, Dominy & Swann).

Cardiff—
BOWLING, JOHN GREENWOOD (with R. H. March, Son & Co.).
HOOD, JOHN BASIL (with J. Wallace Williams & Co.).
WILLIAMS, CHARLES MERLIN (with Deloitte, Plender, Griffiths & Co.).

Carlisle—
AIKMAN, KENNETH (with E. J. Williams & Co.).

Carmarthen—
TUCKER, RALPH ANTHONY (with Jones, Robathan, Thompson & Co.).

Chadderton—
WHITEHEAD, SAMUEL TRAVIS (Deputy Treasurer, Urban District Council).

Cheltenham—
HARGREAVES, HOWSON (Deputy Borough Treasurer).

Chester—
GREEN, HAROLD UNSWORTH (with Haswell Brothers).

Clacton-on-Sea—
LAW, SIDNEY GEORGE (with Norfolk, Pawsey & Co.).
MYATT, JOHN FREDERICK (with Norfolk, Pawsey & Co.).
LEE, RONALD ERNEST (with Norfolk, Pawsey & Co.).

Coalville—
SUTTON, RICHARD ALAN (with Elverstone & Co.).

Crewe—
MORRIS, WINSTON FREDERICK DAVID (Borough Treasurer's Department).

Dagenham—
LINGWOOD, REX LIONEL (Borough Treasurer's Department).

Delhi—
LAL, JALOTA RAMESHWAR, B.A. (with B. R. Malhotra & Co.).

East Grinstead—
SINDEN, AUBREY MAURICE (with Raymond Wells, Osborne & Co.).

Edinburgh—
MARR, ALEXANDER TAYLOR (with Wm. Home Cook & Co.).

Fleet, Hants—
ATCHISON, PERCY FRANCIS (formerly with Davis Kellie & Co.).

Folkestone—
GOULDING, FREDERICK JAMES (with Geo. H. Chapman & Co.).

Grimsby—
CAMPSIE, THOMAS BOOTH (with Hodgson, Harris & Co.).

Guernsey, C. I.—
WITHAM, RONALD EDMUND (formerly with Darbyshire & Co.).

Halifax—
HORSFIELD, TOM (with Charles L. Townend & Co.).

Hanley—
BRATT, THOMAS PETER (with Bourner, Bullock & Co.).

Hereford—
BERISFORD, HARRY STANLEY (Treasurer's Department, Herefordshire County Council).

Hull—

DAVIES, GEORGE WILLIAM (with Hodgson, Harris & Co.).
WHITTERON, ALFRED LAWRENCE (with Tranmer & Raine).

Ipswich—

BICKERDIKE, DENYS CLIFFORD (with Nankivell & Sanderson).

Keighley—

SUTCLIFFE, JAMES NORMAN (with Jacques & Stirk).
WOODWARD, STANLEY (with A. P. Burton & Co.).

Leeds—

CLAPHAM, FRED ROBINSON (with A. France & Co.).
EMMOTT, DOUGLAS (with Sir Charles H. Wilson & Co.).
EXLEY, KENNETH (with W. L. Gallant & Co.).
FEWSTER, STANLEY WILLIAM (with Whitfield & Co.).
JACKSON, SIDNEY (with Wheawill & Sudworth).
LICKLEY, ALBERT RAYMOND (with Brown, Butler & Co.).
SHERIDAN, LINDSAY (with Whinney, Smith & Whinney).

Leicester—

BROWN, NORMAN LESLIE (with F. W. Clarke & Co.).
COX, FRANK GORDON (with Alfred G. Deacon & Co.).
GORDON-BROWN, ROBERT STANLEY (with Wykes & Co.).
HARRIS, DERRICK PETER (with Thomas May & Co.).
HUBBARD, JOHN MAURICE (with Fox & Co.).
ROBERTSON, JAMES GORDON (with Herbert Godkin & Co.).

Leighton Buzzard—

SIBLEY, GEOFFREY WILLIAM (with Keens, Shay, Keens & Co.).

Liverpool—

ADAMSON-BROWN, DAVID, LL.B. (formerly with Lithgow, Nelson & Co.).
DEVERILL, HARRY (with Harmood Banner, Lewis & Mounsey).
DON, HOWARD (with Latimer & Kelsall).
GOODALL, JOHN REGINALD (with McBurnie & Constantine).
HEGARTY, HENRY WILLIAM (City Treasurer's Department).
JONES, HAROLD STANLEY (with Harmood Banner, Lewis & Mounsey).
PEARCE, ALFRED JAMES (with Lithgow, Nelson & Co.).
TURNBULL, REGINALD EDWARD (with Highfield, Pritchard & Mumby).

London—

ADKINS, WILLIAM (formerly with Peat, Marwick, Mitchell & Co.).
ANDREWS, ALFRED FOORD (with Richard Coates & Co.).
ANNESLEY, ARTHUR (with J. Dix Lewis, Cæsar, Duncan & Co.).
APLETREE, REGINALD ARTHUR (with Deloitte, Plender, Griffiths & Co.).
ARCHIBALD, HUGH WILSON (with John Cooper & Co.).
BACON, LEONARD (formerly with C. Neville & Co.).
BARRELL, STANLEY MANN (with Carnaby Harrower, Barham & Co.).
BEECHING, ALBERT GEORGE (with Deloitte, Plender, Griffiths & Co.).
BÈS, JOHN ÉTIENNE (with Deloitte, Plender, Griffiths & Co.).
BOWRING, JOHN WILLIAM (with Geo. Little, Sebire & Co.).
BRADBURY, GEORGE PHILIP (with Poppleton & Appleby).
BURTON, ALFRED JOSEPH (with Thomson McLintock & Co.).
BUSH, BASIL GEORGE (Finance Department, Middlesex County Council).
CANFIELD, GEORGE EDWARD (Borough Treasurer's Department, Camberwell).
CARRINGTON, CECIL (with Price, Waterhouse & Co.).
CLARK, LEONARD ARTHUR (with Wm. H. Jack & Co.).
DANKS, ROBERT KENNETH (with Fairbairn, Wingfield & Wykes).
DAVIS, CYRIL WELLS (with Nevill, Hovey, Gardner & Co.).

London *(contd.)***—**

DUBBINS, LESLIE GEORGE (Deputy Borough Treasurer, Bethnal Green).
ELDERFIELD, ALBERT CYRIL WARREN (with Cooper Brothers & Co.).
FARQUHARSON, ALAN CHARLES (with Charles G. Clark & Co.).
FINDLAY, DOUGLAS ALEXANDER (with Cooper Brothers & Co.).
FROST, EDGAR ALBERT LEWIS (with Peat, Marwick, Mitchell & Co.).
GREGORY, KENNETH ALFRED (with Deloitte, Plender, Griffiths & Co.).
GRINYER, LESLIE SYDNEY (with Charles Wakeling & Co.).
GUNNER, JOHN PERCY (with Hogg, Bullimore & Co.).
HARGREAVES, JOHN (with H. A. Merchant & Co.).
HAYNES, BERNARD ARCHIBALD (with Jacob & Haynes).
HEASMAN, SIDNEY RONALD (with Chantrey, Button & Co.).
HICKS, WALTER EDWARD (with Cole, Dickin & Hills).
HIGGINS, GEOFFREY EWART (with Barnes Bryant & Co.).
HUMMEL, JOHN BYWATER (with Peat, Marwick, Mitchell & Co.).
HUTTON, JACK CHARLES (with Wm. F. Smart, Son & Bloor).
IRELAND, SYDNEY STEPHEN (with Price, Waterhouse & Co.).
JARRETT, LESLIE JOHN (with MacIntyre, Hudson & Co.).
JOHNSON, ARTHUR DEVISON (with Franklin Wild & Co.).
JUNOR, NEVILLE KEITH (with F. F. Sharles & Co.).
LEADLEY, HERBERT JAMES (with Deloitte, Plender, Griffiths & Co.).
LEVER, WILLIAM NORMAN (Borough Treasurer's Department, St. Marylebone).
LOTT, GEOFFREY ERIC (with Deloitte, Plender, Griffiths & Co.).
LOW, WILLIAM WALLACE (with Deloitte, Plender, Griffiths & Co.).
MALLETT, GEORGE RUPERT (with Barton, Mayhew & Co.).
MARSHALL, JOCELYN RUTH (with Clements, Hakim & Co.).
MATTHEWS, KENNETH JOHN (with Allen, Baldry, Holman & Best).
MORTIMER, DAVID (with Deloitte, Plender, Griffiths & Co.).
MUNN, THOMAS ALFRED (with Hacker, Rubens & Co.).
NEWBERY, WILLIAM EDWARD (with Newman Ogle, Bevan & Donald).
PEER, GEORGE ELSLEY (with Deloitte, Plender, Griffiths & Co.).
PENDRILL, JOSEPH WILLIAM (Accountant's Department, Middlesex County Council).
PORTER, KENNETH VINCENT FRANCIS (with French, Duncan, Leeming & Co.).
RAINSBURY, MORTIMER (with H. Rainsbury & Co.).
READ, WILLIAM ARTHUR (with Turquand, Youngs, McAuliffe & Co.).
RICHARDSON, FREDERICK (with Ogden, Hibberd Bull & Langton).
SCHWAR, FRANK (with J. H. Champness, Corderoy, Beesly & Co.).
SHARP, LAMBERT GEORGE (with Whinney, Smith & Whinney).
SHEARING, HUBERT THOMAS (with Deloitte, Plender, Griffiths & Co.).
SIMPSON, WILLIAM (with Rawlinson & Hunter).
SLATER, DONALD FREDERICK (with Lord, Foster & Co.).
SNELLING, LESLIE ROBERT (with Baskett & Bryant).
SPARROW, ALBERT RONALD (with Deloitte, Plender, Griffiths & Co.).
STEEDMAN, DAVID WILLIAMSON (with Wilkins, Hassell & Co.).
STURT, LESLIE JOHN (with Arthur G. Mortimer).
THOMPSON, STUART ARTHUR (with Thornton Walker & Co.).
TINDALL, SIDNEY JOHN (with Oldham, Holland & Co.).
WALLINGTON, CLIFFORD (with Hemsley Miller & Co.).
WARD, RONALD JOHN (with Miall, Savage, Avery & Co.).
WATTS, SPENCER FREDERICK (with Henry White & Co.).

London (*contd.*)—
WEBER, STANLEY JOSEPH (with Andw. W. Barr & Co.).
WILLIAMSON, JOHN JABEZ (with Jenks, Percival, Pidgeon & Co.).
WILSON, WILLIAM ROY (with Sturges, Fraser, Cave & Co.).

Loughborough—
BOON, JAMES PERCY FREDERICK (with Herbert Godkin & Co.).

Luton—
RIDLEY, ARTHUR BERTRAM (Borough Treasurer's Department).

Madras—
MURTI, VEDANTAM GOPALA KRISHNA, B.Sc. (formerly with Sastri & Shah).
WIJEYERATNE, CLEMENT JOSEPH BLAISE, B.Sc. (formerly with G. M. Dandeker).

Manchester—
BERRY, IDRIS LAWTON (with Lloyd Piggott & Co)..
CRITCHLOW, JAMES HAROLD (with Alfred Nixon, Son & Turner).
CADDICK, THOMAS (with Handley, Wilde & Charlton).
FOLEY, EDWARD MICHAEL (with Joseph W. Shepherd).
MORRIS, JACK (with Thomson McLintock & Co.).
O'CONNOR, JAMES NORTON (with A. P. Smith & Co.).
TURNER, LESLIE ROBERTS (with Jones, Crewdson & Youatt).
WHITTAKER, Kendal (with Alfred Nixon, Son & Turner).
YATES, CYRIL (with Walton, Watts & Co.).

Middlesbrough—
HEBBRON, ALBERT GEORGE (with Peat, Marwick, Mitchell & Co.).
MUNNOCH, WILLIAM KEITH (with Peat, Marwick, Mitchell & Co.).
OSBORNE, JOSEPH (with C. Percy Barrowcliff & Co.).
THOMPSON, RAYMOND (with Peat, Marwick, Mitchell & Co.).

Narberth, South Wales—
EVANS, BRYNMOR HOWELL REESE (with Wynn Llewelyn & Davies).

Newcastle-upon-Tyne—
CONVERY, RONALD ALOYSIUS (formerly with Ridley & Ridley).
FENDER, JOHN BENJAMIN (formerly with Price, Waterhouse & Co.).
RENNIE, ALLINSON WILCOCKS (with Bolton, Wawn & Co.).
TODD, NORMAN STANLEY (with Greaves & Co.).

Newton Abbot—
FOSTON, PETER WILFRED (with Peplow & Hooker).

Nottingham—
GLEADELL, FREDERICK ARTHUR (with Mellors, Basden & Mellors).
PENDLETON, FRANCIS CUNNINGHAM (with E. Harlow & Co.).
TAYLOR, LAURENCE (with Prior & Palmer).
WOOTTON, GEOFFREY PHILLIP (with Mellors, Basden & Mellors).

Nuneaton—
GRUBB, ALBERT ERNEST (with Robt. A. Plant).

Oswestry—
PRICE, EDWARD GRANVILLE (with T. A. Gittins).

Perth—
MURRAY, ROBERT SMITH (with Moir, Wood & Co.).

Pinner—
MIDLANE, PETER ALAN (with Milton, Murrells & Co.).

Plymouth—
ARCHER, JOHN FREDERICK BOWRING (with Price, Waterhouse & Co.).
JOB, RONALD (with A. J. Northcott, Lyddon & Co.).

Portsmouth—
DAWSON, ARTHUR WILLIAM (with Morris, Crocker & Co.).
WADHAM, ANTHONY COOPER (formerly with Morris, Crocker & Co.).

Rhyl—
HARRISON, RAYMOND DOUGLAS (with Cyril Arnold & Co.).
KELSALL, WILLIAM STUART (with Latimer & Kelsall).

Rochdale—
GRANT, JAMES (Deputy Borough Treasurer).

Rochester—
MACKELDEN, NORMAN EDGAR (with Tribe, Clarke, Darton & Pollock).

Rossendale—
CRABTREE, JOHN CLIFFORD (with J. E. Shaw).

Scarborough—
HUGGINS, RONALD (with F. L. Gardiner & Co.).

Seaford—
KIBBLE, ERIC WALTER (with Legge, Terry & Swindells).

Seaton—
TRENCHARD, KENNETH JOHN (with Carl I. Lentell & Co.).

Sheffield—
CLARK, KENNETH BERNARD (with Ernest Weston & Co.).
HUTCHINSON, DOUGLAS ERIC (with Peat, Marwick, Mitchell & Co.).
LEGGETT, FRANCIS PERCY (with Henry Bramall & Co.).

Sittingbourne—
BOWEN, NORMAN FERRAND (Treasurer and Accountant, Sittingbourne and Milton Urban District Council).

Slough—
HUNT, KENNETH MASTERMAN (Borough Treasurer's Department).

Southampton—
SHERLOCK, THOMAS HERBERT (with Westlake, Clark & Co.).

Southport—
PENDLETON, HAROLD (with Lithgow, Nelson & Co.).

South Shields—
SPENCER, JOHN DOUTHWAITE (with Grimes, Son & Thubron)..

St. Helens—
GRUNDY, ARTHUR (with R. Chadwick).

St. Leonards-on-Sea—
HOWE, NORMAN HERBERT FREDERICK (with Waterhouse & Francis).

Swansea—
JONES, DONALD SIMON (Borough Treasurer's Department).

Swindon—
EDNEY, GEORGE (Borough Treasurer's Department).

Torquay—
LOUD, WILLIAM HENRY (with B. M. Patton & Co.).

Wakefield
GARDNER, WALDRON ARMAND (with Kitson, Hardy & Sharpe).
SEAL, DENNIS (with Kitson, Hardy & Sharpe).
MCLEAN, THOMAS WILLIAM (with F. W. T. Mills).

Warrington—
IONS, ERIC MACKINTOSH (Borough Treasurer's Department).

Wellingborough—
COLES, FRANK CLIFFORD (with H. W. Pratt, Pollard & Co.).
HAIGH, KENNETH LEWIS (formerly with F. Roberts & Co., Northampton).

West Bromwich—
PRINCEP, ANTHONY (with Fisher, Batty & Co.).

Wilmslow—
CRAWFORD, DONALD PERCIVAL (with Alfred Brown & Co.).

Worcester Park—
GRIMSHAW, LIONEL EDWARD (with Samuda, Beresford & Co.).

York—
DARLEY, JOHN HENRY (formerly with Peat, Marwick, Mitchell & Co.).

Ireland—
BRADY, PETER HENRY (with Purtill & Co., Dublin).
BRADY, WILLIAM (with James Baird & Co., Cookstown).
FORSTER, EDGAR ARNO (with Cooper & Kenny, Dublin).
GASS, SAMUEL VICTOR (with W. L. H. Rodden, Sinclair & Co., Belfast).
MCKELVEY, Samuel Irwin (with S. Stockman & Co., Belfast).
VAUGHAN, ALBERT (with Rawlinson, Allen & White, Belfast).

Intermediate Examination

Honours Candidates (3)

TURNER, ANTHONY JOHN (with Trevor Davies & Co.), London. *First Place Certificate. Disqualified for Prize by age-limit.*)
PEET, JOHN (with Lithgow, Nelson & Co.), Southport. (*Second Place Certificate and Second Prize.*)
RICHARDS, RONALD JACK (with Kilby & Fox), Northampton. (*Third Place Certificate and Third Prize.*)

Candidates Passed (151)

Ashton-under-Lyne—
ALKER, ROBERT (Deputy Borough Treasurer).

Aylesbury—
GIBLIN, PETER (with Keens, Shay, Keens & Co.).

Berwick-on-Tweed—
BAKER, ELISABETH (with Walter Baker & Co.).

Birmingham—
COTTERILL, WILLIAM HENRY (with G. H. C. Stanley & Co.).

Blyth—
HAKIN, GEORGE DOWEY (with S. H. Brooks & Co.).

Bombay—
AHMED, SYED MUSLEHUDDIN, B.A. (formerly with S. B. Billimoria & Co.).
KATRAK, JAMSHED SOHRAB (formerly with S. B. Billimoria & Co.).
SARKARI, NOSHIR PHIROZ DHANJIBHOY (formerly with S. B. Billimoria & Co.).

Bradford—
ANDREWS, BERNARD (with R. S. Dawson & Co.).

Bridgwater—
BAGG, REGINALD STANLEY (with J. & A. W. Sully & Co.).

Brierley Hill—
GORDON, JOHN ARTHUR (with Gough, Son & Clare).

Brighton—
DUNK, JOHN EMMERSON (with Carpenter, Arnold & Turner).

Bromley—
CHARLES, ALFRED WILLIAM (with Waight & Co.).

Bury—
WITHINGTON, HAROLD (with E. O. Mosley & Co.).

Calcutta—
DUTT, SHYAMAL KUMAR (formerly with S. K. Ghosh).
RAHMAN, ANWAIR ZIAUR, B.Sc. (formerly with S. C. Afzal & Co.).
SARKAR, PRADYOT KUMAR (formerly with Chatterjee & Co.).

Cardiff—
BENNETT, ARNOLD KEITH (with Clarke, Dovey & Co.).
SMITH, JOHN ANDREW (with Percy Walker, Simpson & Co.).
O'SHEA, DENIS (with Alban & Lamb).

Cawnpore—
MALHOTRA, ROMESH CHAND, B.A. (formerly with P. L. Tandon & Co.).

Colchester—
BULTITUDE, JAMES ROBERT (Borough Treasurer's Department).
CANSDALE, ERIC CHARLES (with Norman F. Kirby).

Douglas, I.O.M.—
CORLETT, JAMES DANIEL FYNLO (with A. Hill).
EARNSHAW, STANLEY JOHN (with J. B. Garside).

Exeter—
UNDERHILL, KEITH PATRICK (with C. S. Moores).

Falkirk—
LEISHMAN, JAMES (with Festus Moffat & Co.).

Fleet—
WILLIAMS, JOHN TYRREL (with Davis, Kellie & Co.).

Halifax—
VAN WTBERGHE, CHARLES GEORGE MARY FRANS WILLIAM (with Armitage & Norton).

Harrogate—
ROSE, CHRISTOPHER GERALD PATRICK (with Learoyd & Longbottom).

Hull—
ORRY, RAYMOND LOUIS (with Hodgson, Harris & Co.).
SHARP, HORACE (with Dutton, Moore & Co.).

Kings Lynn—
HAYHOW, LEONARD WILLIAM (with Hayhow & Co.).

Leeds—
MCKIMMINGS, FRED (with Blackburns, Robson Coates & Co.).
TAYLOR, RONALD KENNETH (with Roland J. L. Ball).
TONG, MAURICE (with Sir Charles H. Wilson & Co.).

Leicester—
SMITH, ERIC (with Baker & Co.).
WALKER, THOMAS LESLIE (with Wykes & Co.).
WOOD, FRANK LORRAINE LAWSON (with Wykes & Co.).

Liverpool—
BENNETT, WILLIAM (with John Hopkins).
BROCKBANK, JOHN EDWARD (with R. Duncan French & Co.).
STEELE, JOHN HAROLD (with Sheard, Vickers & Winder).
THOMPSON, DONALD OSWALD (with Blease & Sons).
WAINWRIGHT, WILLIAM STEPHEN (with Bryce Hanmer & Co.).

London—
AMEY, RICHARD GEORGE (with Darke, Robson & Co.).
BAILEY, RONALD DOUGLAS (with Clarkson & Rumble).
BAKER, HENRY ALFRED JAMES (with Binder, Hamlyn & Co.).
BALDWIN, FREDERIC ARTHUR (with A. Hornby & Co.).
BOWERMAN, JOHN WILLIAM (with Brebner, Allen & Trapp).
BULL, EDWARD CURZON JAMES (with Newman Ogle, Bevan & Donald).
BURT, ROBERT ERIC (with Miller Smith & Co.).
CARTER, PETER JOHN (with Eric Phillips & Co.).
CHEESMAN, RONALD FREDERICK (with W. A. Scott & Co.).
COLES, FREDERICK ELLIOTT (with R. Brooks & Co.).
DAVIES, DAVID MALDWYN (with Singleton, Fabian & Co.).
DEAR, COLIN PAUL (with Morgan & Co.).
DEITCH, ANGEL (with Lionel Davidson & Co.).
DIXON, DAVID ALFRED (with Whinney, Smith & Whinney).
DOOUSS, MAURICE JAMES (with Lomax, Clements & Co.).
DRAGE, LESLIE ERNEST (with Spicer & Pegler).
DUNMALL, CHARLES (with Harmood Banner, Lewis & Mounsey).
FLORENCE, HENRY JOHN (with Landau, Morley & Scott).
GUDGIN, WILLIAM JOSEPH (with Baker, Todman & Co.).
HEATH, BARRIE VICTOR (with Ballard, Huggins & Co.).
HENWOOD, CHARLES WILLIAM (with T. Turketine & Co.).
HINES, JAMES ALFRED CHARLES (with Norton, Slade & Co.).
HOARE, KENNETH (with Deloitte, Plender, Griffiths & Co.).
HODGKINSON, ALAN (with S. E. Parish & Co.).
JENNER, WILLIAM EDWARD (with J. L. Harper Lamaison & Co.).
KITSON, ARTHUR WILLIAM (with Myers, Davies & Co.).
LEITCH, DOUGLAS JAMES (with Martin, Farlow & Co.).
LEWIS, PERCY WILLIAM (with Peat, Marwick, Mitchell & Co.).

London (contd.)—
LIGHT, RICHARD GEORGE (with Davie, Parsons & Co.).
LINDSEY, JOHN WALTER REGINALD (with Clark, Battams & Co.).
LINE, VIVIAN WILLIAM (with Maurice Thompson & Co.).
LLOYD, GEORGE HENRY (with W. H. Barnes & Co.).
McLEAN, JOHN (with Portlock & Co.).
MADGWICK, DONALD FREDERICK (with Spicer & Pegler).
MARKS, ARNOLD (with Field & Co.).
MOORE, KENNETH THOMAS (with Buzzacott, Lillywhite & Co.).
MORRISON, JOSEPH (with L. G. Harris).
NEWMAN, RICHARD ALFRED DENNIS (with Woolger, Hennell, Scott-Mitchell & Co.).
PARKER, JOHN MICHAEL (with Sewell, Hutchinson & Co.).
PAYNE, ALAN JOHN WILLIAM (with Middleton, Hawkins & Co.).
PEARCE, JOHN CLIFFORD (with Spain Brothers & Co.).
RATCLIFF, RALPH VERNON (with Crick & Bussell).
ROBINSON, CLIFFORD JOHN (with Crane, Christmas & Co.).
SCOTT, ARTHUR EDWARD RUEBEN (with Hereward, Scott, Davies & Co.).
SECKER, FRANK JOSEPH (with Brown, Peet & Tilly).
SEYMOUR, JOHN HENRY (with William S. Ogle & Co.).
SILVESTER, ERIC GEORGE (with Turquand, Turquand & Co.).
SINSTADT, TONI BRIAN (with Peat, Marwick, Mitchell & Co.).
SMITH, SIDNEY ERNEST GEORGE (with Angus, Whiting & Co.).
STOCKWELL, HERBERT THOMAS GEORGE (with Vickers & Winder).
STOUT, GORDON ARTHUR (with Newman Ogle, Bevan & Donald).
SUTTON, JOHN DEREK (with Pannell, Crewsdon & Hardy).
TERRY, HENRY WALTER (with Deloitte, Plender, Griffiths & Co.).
TURNER, SYDNEY ROY (with Jacob & Haynes).
WALKER, WILLIAM DEREK (with Chipchase, Wood & Jacobs).
WARNER, NORMAN CHARLES (with Albert A. Henley & Co.).
WILDS, LIONEL JOHN (with Harold E. Sheppard).
WOOLF, LEONARD (with Wm. H. Jack & Co.).

Long Eaton—
DOWNS, REGINALD WALTER (with D. W. H. Phipp & Co.).

Luton—
WRIGHT, RONALD ERNEST (with Keens, Shay, Keens & Co.).

Manchester—
ABBOTT, DENIS EDWARD (with J. B. Boyd, Wrigley & Co.).
BATTERSBY, HARRY (with David J. Jones).
HIDE, KENNETH (with Arthur Smith).
LORD, RICHARD EDWARD (H. Lindley & Co.), Practising Accountant.
TEASDALE, FRANK ASHTON (with J. W. Hirst & Co.).

Newcastle-upon-Tyne—
MYERS, HAROLD (with George Lang & Co.).

Northampton—
WATERMAN, ARTHUR JOHN (with Benbow & Airs).

North Shields—
GREY, JOHN (with S. H. Brooks & Co.).

Nottingham—
GILLOTT, CLIFFORD WHITWORTH (with Prior & Palmer).
LEWIS, HARRY FREDERICK (with Stanley Blythen & Co.).
WALKER, JOHN MICHAEL HENRY (with Billsons, Cullen & Broome).

Parkstone—
LARCOMBE, ANTONY STUART (with S. J. G. Southon & Co.).

Peterborough—
CORBY, SYDNEY EDWARD (with Swallow, Crick & Co.).

Plymouth—
BROWN, KENNETH AUBREY JAMES (with A. J. Northcott, Lyddon & Co.).
KERSWILL, GUY BARRY (with Roberts & Pascho).

Portsmouth—
ALLEN, COLIN WILLIAM MEWES (City Treasurer's Department).

Preston—
SANDHAM, WILLIAM KENNETH (with James Todd & Co.).

Redruth—
SMITH, FRANCIS LUKE (with Arthur J. Paul).

Sheffield—
HEDLEY, ROBERT (with Joshua Wortley & Sons).

Southend-on-Sea—
BIGG, DEREK CHARLES (Borough Treasurer's Department).

Southport—
SMITH, ARTHUR HENRY (with E. B. Griffiths & Co.).

Southsea—
APSEY, JOHN (with Arthur Daniels & Co.).

Spalding—
MOORE, HARRY ANTHONY COLIN (with Stephenson, Smart & Co.).

Stroud, Glos.—
PAUL, RONALD WALLACE MICHAEL (with Randall & Payne).

Sunderland—
LAWSON, WILLIAM (with Laverick, Walton & Co.).

Swansea—
CHILCOTT, ARTHUR GORDON (with Ashmole, Edwards & Goskar).

Swindon—
AVERIES, JOHN DAVID (with Walter, Johnson & Partners).

Torquay—
COLE, BASIL HAROLD (with K. W. Buckley).
EASTERBROOK, HORACE FREDERICK (with Ware, Ward & Co.).

Tunbridge Wells—
STRANG, KENNETH (with Creasey, Son & Wickenden).

Wetherby—
MYERS, FRANK HANSON WILLIAM (with Frank Myers).

Wisbech—
WRAGG, DAVID ARTHUR (with Larking, Larking & Whiting).

Wolverhampton—
DARLINGTON, TREVOR JOHN (with Campbell & Co.).

Worthing—
GARRETT, DOUGLAS PAUL (with Spofforth & Prince).

Ireland—
GARLAND, LEONARD FREDERICK (with H. W. Garland & Co., Belfast).
GREER, THOMAS (with Rawlinson, Allen & White, Larne).
HOWARD, ROBERT ALEXANDER (with Frederick Dall Gray & Co., Coleraine).
LEWIS, THOMAS EDWARD (with Hodgson, Harris & Co., Dublin).
McGRATH, EDWARD JAMES (with Samuel H. Moore, Cork).
McMAHON, WILLIAM JOSEPH (with J. A. Kinnear & Co., Dublin).
O'BRIEN, LORCAN (with Pearse O'Brien, Bray).
O'REILLY, TERENCE (with Purtill & Co., Dublin).
PHELAN, JOHN RAYMOND (with Purtill & Co., Dublin).
RIORDAN, PATRICK JOSEPH (with Stapleton & Co., Cork).
SHEEHAN, MAURICE NOEL, B.Com. (with Pearse O'Brien, Bray).
THOMPSON, ROBERT HENRY (with J. A. Kinnear & Co., Dublin).
WOODS, COLIN LEO (with F. R. O'Connor, Dublin).

Preliminary Examination

Honours Candidates (3)

BOORMAN, ALBERT EDWARD CAMBURN, 36, Station Road, Barnes, S.W.13. (*First Place Certificate*).

COOPER, JUNE LOUISE 20, Church Path, Grays, Essex. (*Second Place Certificate*).

WAGGOTT, STANLEY CHARLES, 51, Lothian Road, Grove Hill, Middlesbrough. (*Third Place Certificate*).

Candidates Passed (33)

BACON, ALAN ALBERT, 109, Mount Road, Bexleyheath.
BARKER, GERALD CECIL, 144, Rivulet Road, Tottenham, N.17.
BARRATT, ROBERT FOSTER, 53, Mount Stewart Street, Dawdon, Seaham, Co. Durham.
BENTLEY, FRANK GEORGE, 164, Chinnbrook Road, Billesley, Birmingham, 14.
BERMAN, NORMAN, 95, Eyre Court, St. John's Wood, N.W.8.
BINGHAM, SAMUEL GEORGE, 66, Dairy House Road, Derby.
BRYAN, JOHN DONALD, 38, Farnborough Avenue, Walthamstow, E.17.
CLARIDGE, RONALD ARTHUR, 52, Beauvale Road, Meadows, Nottingham.
DAVIES, DONALD KEITH, 79, Higher West Cross Lane, West Cross, Mumbles, Swansea.
DOVE, PETER EDGAR, 7, Mill Hill Road, Cowes, I.O.W.
EAST, CHARLES KENNETH, "Baymount," Ballincar, Co. Sligo.
ELDER, RONALD IVAN, 27, Sydney Avenue, Blackrock Co. Dublin.
FIRTH, MICHAEL ERIC, Green Mount, The Green, Ossett.
GOODING, DONALD, 51, Westmount Avenue, Chatham.
HERD, WILLIAM BRIAN, 433, Beersbridge Road, Bloomfield, Belfast.
HORTON, BRIAN THOMAS, 114, Higgins Lane, Quinton, Birmingham, 32.
JOHNSON, ARTHUR RALPH, 23, Eric Avenue, Linby, Notts.
JONES, ROLAND EDMUND, 23, St. Peter's Square, Preston.
LAMB, DAVID CYRIL, 31, Holmdale Road, West Hampstead, N.W.6.
LEECH, HENRY, 15, Royden Street, Liverpool, 8.
MACPHERSON, MALCOLM ERIC, 18, Becontree Road, Leytonstone, E.11.
MCCONNELL, SAMUEL THOMPSON, 12, Haywood Avenue, Belfast.
MORLEY, JAMES WILLIAM, "The White House," Cross Street, Arnold, Notts.
OVEREND, JOHN, 20, Whitfield Street, Birkenhead.
PEPPER, ROY JOHN, 5, Harwich Road, Bradfield, Manningtree, Essex.
PERKINS, JOHN HEWITT, 6, Greenfield Road, Northampton.
REID, GERARD ULTAN, 113, Botanic Road, Dublin.
RODDIS, JOHN ROLAND, 51, Bannerdale Road, Millhouses, Sheffield, 7.
SMITH, ALEXANDER RITCHIE, 299, South Boulevard, Hull.
STANLEY, GORDON GERALD, 38, Shelley Way, St. Budeaux, Plymouth.
STICKLAND, ALFRED FRANCIS, 8, Chase End, Epsom.
TAYLOR, JAMES, Ribble View Inn, 70, Wellfield Road, Preston.
WILSON, ALEXANDER CLARK PILLANCE, Cemetery Lodge, Kilmarnock.

Summary of Results, May, 1948

	Final	Intermediate	Preliminary	TOTAL
Candidates Awarded Honours ...	6	3	3	12
Candidates Passed	220	151	33	404
Candidates Successful ...	226	154	36	416
Candidates Failed	265	215	45	525
Candidates Sat ...	491	369	81	941

DISTRICT SOCIETIES AND BRANCHES

SCOTTISH BRANCH

A meeting of the Council of the Scottish Institute of Accountants, the Scottish Branch of the Society, was held in Glasgow on Friday, June 25. Mr. D. R. Matheson, LL.B., presided over a good attendance. The death of Mr. Alex. Y. D. Innes, Associate, Aberdeen, was reported. The Secretary, Mr. James Paterson, reported on various membership matters. The Assistant Secretary, Mr. J. Hawthorne Paterson, reported with reference to suggestions as to lectures and meetings of the Glasgow Students' Society for the ensuing winter session.

LIVERPOOL

Annual Report

The membership comprises 59 Fellows, 257 Associates, and 394 students—a total of 710. Approximately 68 are serving in H.M. Forces, and to them the Society sends greetings.

With deep regret we record the deaths of Mr. Charles M. Dolby, President in 1929 and 1930, and Hon. Treasurer for 23 years; and Mr. R. Henry Thomas, the senior member of the Committee.

Thirteen meetings have been held, of which five were in conjunction with the Liverpool Society of Chartered Accountants. The Committee thanks the lecturers and those members who presided.

The session has seen the fulfilment of another of the District Society's ambitions in the holding of a residential course designed solely for our student members. In this the District Society were pioneers. The course was held at Derby Hall, a hall of residence of the University of Liverpool, and was attended by 98 students. Its success and the beneficial results were far beyond expectations. The Committee express their gratitude to Mr. Bertram Nelson, who inspired the course and arranged it; to Professor D. R. Seabourne Davies and the University authorities; and to all the eminent guests and lecturers.

Other functions included a dance, a dinner at the Adelphi Hotel, and a bridge match with the Liverpool Society of Chartered Accountants.

Nine students passed the Final Examination during the year, and five the Intermediate.

The District Society is represented on the Council of the Liverpool Chamber of Commerce by the President (Mr. J. C. Summerskill) and Mr. Bertram Nelson, and on that of the Birkenhead Chamber by Mr. L. Bailey.

The Committee again thank the members who have taken frequent duties at the Citizens' Advice Bureau to advise applicants on taxation.

Arrangements under the university scheme have made excellent progress.

MANCHESTER

The sixty-second annual meeting was held on June 18. Mr. J. D. Harvey, President of the District Society, who was in the chair, said that further lectures and meetings were being considered for the Students' Section, and it was hoped to arrange a refresher course and regular weekly meetings during the winter.

The report and accounts were adopted.

The retiring members of the Committee were re-elected. Mr. Norman A. Hulme was elected to fill a vacancy, and the election by the Committee of Mr. Frank Carter was confirmed.

Mr. A. Halstead, A.S.A.A., and Mr. T. M. Robson (student) were re-appointed Honorary Auditors.

It was decided that the students' subscription be raised to 12s. 6d. per annum.

At a subsequent meeting of the Committee the following officers were elected:—President, Mr. C. Yates Lloyd; Vice-President, Mr. G. W. Street; Hon. Treasurer, Mr. Harry L. Price; Hon. Secretary, Mr. W. S. Newton (Messrs. Lloyd, Piggott & Co.), 2, Cooper Street, Manchester, 2.

Mr. J. N. Struthers was appointed temporary Hon. Librarian. It is expected that Mr. Henry Smith will take over this office shortly.

The election of Mr. C. Yates Lloyd as President was proposed by Mr. Henry Smith and seconded by Mr. J. D.

Hamer. Mr. Smith said the District Society had been very fortunate in its Honorary Secretaries, Mr. Lloyd being only the third since its inception sixty-two years ago. He had the interest of the profession very much at heart.

Annual Report

A number of meetings were held, including successful joint meetings with the Manchester Society of Chartered Accountants, the Manchester Law Society, and the Chartered Institute of Secretaries (Manchester and District Branch).

Eight students passed the Final Examination and seven the Intermediate.

The number of members is 450, with 428 student members.

The universities scheme is in operation, and there is a permanent Local Joint Committee, on which the District Society is represented by the President and Hon. Secretary. Mr. Lloyd acts as Secretary to the Committee.

The library is under constant revision, and every effort is made to improve facilities. The Committee records its thanks to Mr. J. N. Struthers, the Hon. Librarian, who finds it necessary to resign after nearly ten years' service.

Frequent use is made of the appointments register. Demands for staff exceed the number of names on the reigster.

The Committee has accepted, with regret, the resignation of Miss Daisy Cross. Mr. S. M. Rix also resigned from the Committee during the year to take up an important position in London with the Electricity Board.

SOUTH WALES AND MONMOUTHSHIRE

Newport Students' Society

The annual meeting of the Newport Students was held on June 9. The following officers were elected: Chairman and Students' representative on District Society Committee, Mr. R. F. Howell; Vice-Chairman, Mr. K. G. Sim; Hon. Librarian, Mr. J. Maddox; Hon. Secretary, Mr. R. T. Nicholas; Committee, Miss A. M. Smith, Mr. C. H. Dawson, Mr. D. L. Jones.

YORKSHIRE

Annual Report

The membership totals 699, including 60 Fellows, 265 Associates, and 374 students. The Committee regrets the loss by death of two members.

The Committee congratulates twelve students who passed the Final and six who passed the Intermediate Examination in 1947.

Nine lectures were held, the average attendance being 58. One was a joint meeting with the Chartered Institute of Secretaries (West Yorks. Branch).

A series of Saturday morning revision lectures was arranged. These have proved useful to students and have been well attended.

During the year 70 books were purchased for the library, and issues were 530.

PERSONAL NOTES

The Minister of Health has appointed Mr. Gilbert D. Shepherd, M.B.E., F.C.A. (immediate past-President of the Institute) Chairman, and Sir Frederick J. Alban, C.B.E. (President of the Society and Chairman of the Welsh Regional Hospital Board) a member of the Board of Governors of the United Cardiff Hospitals set up under the National Health Service Act, 1946.

Mr. W. A. Follows, A.S.A.A., who at present is a member of the staff of the City Treasurer of Stoke-on-Trent, has been appointed Chief Financial Officer of No. 21 Regional Hospitals Board (controlling the hospitals in the Potteries district). Mr. Follows is a Gold Medallist of the Society, and is the Hon. Treasurer of the North Staffs. District Society.

Mr. Eric Maxwell, Associate, formerly Town Chamberlain of Kirkcaldy, and a former Silver Medallist of the Society, has been appointed Chief Accountant to the South-East Scotland Electricity Board.

Messrs. Keens, Shay, Keens & Co. announce that Mr. T. R. Keens, A.S.A.A., has been admitted into partnership in the firm.

Messrs. Hewat, Bridson & Newby (incorporating Parker Woods and Fouad Ahmed El Sawaf), of Alexandria and Cairo, announce that Mr. Martin Hammond, Chartered Accountant, who has been their senior partner in Cairo for many years, has retired. The remaining partners, Mr. D. A. Newby, F.S.A.A., Mr. H. E. Cooil, A.C.A., Mr. I. C. Huie, C.A., Mr. F. R. W. Woods, A.C.A., Mr. F. A. El Sawaf, A.C.A., and Mr. E. B. Macdonald, A.C.A., will continue to practise under the same firm name. Mr. F. R. W. Woods, Chartered Accountant, formerly resident in Alexandria, is now the senior partner in Cairo.

Mr. Harold Rivington has retired from the firm of Hopps and Bankart, and is now in partnership with Mr. Ronald Garner under the style of Rivington, Garner & Co., Incorporated Accountants, at Crown Buildings, 4, Loseby Lane, Leicester (telephone 20006), and at Melton Mowbray and Northampton. The practice of Messrs. Hopps & Bankart, 25, Friar Lane, Leicester, is being continued by the remaining partners.

Messrs. Swallow, Crick & Co., Incorporated Accountants, of Peterborough, Spalding and Bourne, announce that Mr. Reginald Varney, Incorporated Accountant, who has been a member of their staff, has been admitted to partnership in their Spalding and Bourne branches.

The partnership of Messrs. Morton, Moller, Sheen & Co. has been dissolved. Mr. R. C. Sheen is continuing to practise at Moorgate Hall, Moorgate, London, E.C.2, under the style of Sheen & Co. Mr. J. H. Morton, Mr. A. A. Moller, Mr. A. F. Chick, Mr. C. B. Pearce, and Mr. H. J. Madge are practising as Moller, Morton & Co., at the same address, but will shortly remove to Friars House, New Broad Street, London, E.C.2.

Mr. C. A. J. Peplow, Incorporated Accountant, is now practising under his own name at 6, Sherborne Road, Newton Abbot, and Mr. A. W. Hooker, Chartered Accountant, at 10, Bank Street, Newton Abbot. Their partnership under the name of Peplow & Hooker has been dissolved.

Mr. John C. Flay, O.B.E., T.D., F.S.A.A., J.P., announces that he has been joined in partnership by Mr. Leslie J. Hannay, A.S.A.A., who was formerly articled to him. The practice will be carried on under the style of John Flay & Co., Incorporated Accountants, at Bank Chambers, Bank Street, Worcester.

Mumbles Lifeboat Disaster Fund

We have received a copy of the report by Mr. H. K. Greaves, F.S.A.A., Borough Treasurer of Swansea, on the accounts of the Mayor of Swansea's Mumbles Lifeboat Disaster Fund. Mr. Greaves was Honorary Secretary-Treasurer of the Fund.

The lifeboat "Edward Prince of Wales" was lost on April 23, 1947, in an attempt to rescue the crew of the ss. "Santampa," and the coxswain and seven members of the crew lost their lives. The Mayor of Swansea, Alderman Harry Davies, immediately opened a fund to provide for their dependants. A similar fund opened by the Western Mail and Echo, Ltd., was later incorporated into the Mayor's Fund. During the period to May 31, 1948, a sub-committee of subscribers authorised payments of £4,230 out of the £94,804 subscribed.

The balance of the fund has now been paid over to the Midland Bank Executor and Trustee Co., Ltd., who have been appointed trustees under a scheme for its administration.

Sir William A. Jenkins, the present Mayor, has paid tribute to those who gave their services during the past year without remuneration. These include Mr. Greaves and his staff, the Western Mail and Echo, Ltd., the banks, and the accounting, actuarial, insurance and legal professions. The Honorary Auditors were Mr. C. M. Williams, F.C.A., and Mr. H. Dixon Williams, F.S.A.A.

A misprint occurs in the balance sheet of the Incorporated Accountants' Benevolent Fund on page 174 of the July issue of ACCOUNTANCY. The figure of £22,811 on the Liabilities side is the total of the previous items, and the following entries should read: Sir James Martin Memorial Fund £3,547, Edith Sendell Fund £500, Sundry Creditors £40. A corresponding adjustment is necessary in the alignment of the comparative figures for the previous year.